

WEEKLY

Television Digest

with
consumer
electronics

35th YEAR OF PUBLICATION
35
1945-1980

The authoritative service for broadcasting, consumer electronics & allied fields

IN THIS ISSUE: Television Digest's exclusive forecasts for consumer electronics in 1980.

JANUARY 7, 1980

VOL. 20, NO. 1

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NAB—CONFIDENCE IN '80s: Wasilewski sees no slackening of good times, no threat from new technology. Exec. Committee and board to chart new courses this month. Bolger would go slow in replacing Zeifang. (P. 1)

COMSAT-SEARS DEAL: Joint venture in direct TV is 'possibility.' FCC filing expected by late March. Comsat may sell service to cable. (P. 2)

PTV & TELETEXT: CPB study urges PTV move to forefront of technology & software. (P. 4)

GE's WRIGHT JOINS COX CABLE as pres.; 8 promoted to vps in preparation for 'explosive growth' in cable. (P. 4)

RADIO MEETING PRIORITY: FCC asks State Dept. for expedited handling of U.S. proposal for AM radio conference. (P. 5)

'PUBLIC'S FIRST AMENDMENT' is theme of 'Congress' in Philadelphia and follow-up in Williamsburg. Gallup poll finds public attitude 'discouraging.' (P. 5)

PUBLIC TV-RADIO SALARIES: Fleming, Mankiewicz & Grossman head list at \$69,000-\$70,000. NPR's Warnock at \$62,500. (P. 5)

NAB—CONFIDENCE IN '80s: "Both radio and TV had a great 1979 and I see nothing on the horizon to change that in the next 10 years... New technology will secure only a small percentage of the viewing audience and it won't have any real impact." This is assessment by NAB Pres. Wasilewski as Assn. moves into 1980s in what most consider best shape ever and with many new & expanded member services.

Planning for first year of new decade—with a record \$7 million budget (Vol. 19:51 p5)—and beyond will be finalized at Exec. Committee meeting Jan. 8-9 in Washington and 5 days of board & committee meetings week of Jan. 21 in Palm Springs. Here are a few special projects for year: (1) 34 simultaneous political broadcast clinics across U.S. Feb. 4, plus 3 others within week. Communications lawyers will donate services, pay own expenses.

(2) Activation of \$15-million fund to provide financing for acquisition of stations by minorities. Fulltime exec. dir. of fund is expected to be named in next couple weeks. (3) Closer liaison of various broadcast trade groups, spearheaded by NAB & NATPE, with first meeting expected in March. (4) First-ever meeting of 9 living past NAB chairmen. (5) First Amendment Congresses (see p. 5). (6) Joint meeting with Canadian Assn. of Bcstrs. (7) Political

Consumer Electronics

1980—TROUBLED YEAR, but setting new record in consumer electronics. Color set sales seen at 9.5 million, b&w 6 million, VCR 550,000. Low-end models to proliferate. (P. 7)

ELECTRIC TUNING & 13" sets are bright spots in lackluster 9-month color picture at new-supply level. Remotes topped 20% of output in first 3 quarters; electronic tuning in 50% of 3rd-quarter sets. (P. 9)

RECORD VCR IMPORTS in Nov. bring 11-month total over 600,000. BASF opens Cal. LVR plant. Pioneer to show consumer videodisc player at CES. GE introduces Hitachi-made portable VCR. (P. 10)

JAPAN TV IMPORTERS relieved at one-year delay of rule requiring cash to cover estimated dumping duties on new entries. Japan TV exports to U.S. down, offset by increased production here. (P. 11)

HARMAN-KARDON COMEBACK bid under new ownership keyed to return to old policy of turning out basic hi-fi with quality sound. (P. 11)

REBATE BECOMES FAVORITE promotion for slack TV sales periods. RCA, Zenith, GE adopt various money incentives for consumers. Magnavox reductions up to \$100. Zenith reduces rebate. (P. 12)

leadership conferences.

Planned engineering lab at NAB has been put on back burner, as have several research projects, for budgetary reasons. Originally, lab was to start last fall, was pet project of past Radio Chmn. Walter May.

Resignation of NAB Senior Vp-Govt. Relations Donald Zeifang will "give the NAB an excellent opportunity to look at the operations of that department," we were told. NAB Chmn. Thomas Bolger added that "I don't want to rush into a judgment on this... We just want to get the best man." Majority of Exec. Committee is believed opposed to idea of combining govt. & legal departments under Senior Vp-Gen. Counsel Erwin Krasnow. Depts. at one time were jointly under Paul Comstock, and most now feel concept wasn't very successful. Zeifang leaves at end of month to join Washington office of Cleveland-based law firm Baker, Hostettler, Frost & Towers. Some other NAB officials also are expected to leave during year.

In Palm Springs, NAB will receive presentation from Comsat on latter's direct-to-home satellite plan (see below). NAB already has opposed project on grounds Comsat's charter from Congress doesn't permit it to enter domestic satellite business, and Wasilewski predicts other "major political and social problems" for Comsat. Just ahead of board meetings, Convention Committee will select 1980 Distinguished Service Award winner and "the politicking is beginning to pick up," Committee member said. Considered leading prospects are last year's runnerup Stanley Hubbard, Bonneville Pres. Arch Madsen, ABC Pres. Elton Rule and past NAB chairmen William Quarton & Donald Thurston. Bolger is exploring plan to have Bcst. Pioneers pick DSA winner to help take politicking out of selection process.

NAB's offer of no dues for new UHF members for 6 months and half price next 6 (Vol. 19:27 p1) seems to be working—more than 30 UHF's have joined since June, and offer doesn't expire until Jan. 31. New UHF's raised TV membership to 624, passing 600 for first time. "The idea now is to keep them happy," according to TV Vp Jane Cohen.

Here's a joint venture that didn't fly: NAB rejected participation in NRBA plan to encourage every U. S. radio station to play Star Spangled Banner at noon Jan. 14, followed by each station reading same statement supporting hostages in Iran. NRBA dropped idea, too, after NAB refused to push it.

COMSAT-SEARS DIRECT TV VENTURE? Comsat has selected Sears Roebuck, nation's biggest retailer, to participate in joint venture to launch first U.S. direct broadcasting satellites. Sears would have dual role of assisting Comsat in financing what's now being talked of as \$1-billion project and handling marketing & service for home earth stations.

Comsat deal with Sears, even if consummated, won't put earth stations in homeowners hands for 3, possibly 4 years, according to Comsat consultant Richard Galkin. He said direct-to-home proposal will go to FCC in March. It will take 2 years to prepare & launch satellite from date of FCC approval. Like most at Comsat, Galkin appears confident service will be approved.

Galkin called talk of \$200-\$300 earth stations and \$15-\$20 monthly fees "just speculation, although dishes could be bought today at that price in Japan." He said Sears could be "one of many" dish distributors. Comsat has no programming plans as yet, could eventually buy from existing pay-TV services, movie studios, broadcasters, etc. Earth stations might be sold outright or leased, he said. Our sources say HBO and Comsat talked last summer with HBO getting brush-off.

Analyst says Comsat is keen to enlist Sears because: (1) Sears has 860 retail outlets and expects to have 1,100 by 1983. (2) Sears service department has installed millions of TV antennas, can presumably handle job of millions of satellite dishes. (3) Mail order business is especially strong in exurban areas, where appeal of broadcast satellites may be high. (4) Sears has great experience in consumer credit & collection.

Spokesman at Sears tells us company wasn't really ready to announce involvement in broadcast satellite project. Like counterpart at Comsat, spokesman emphasized that no deal is consummated. Market reacted positively to news: Comsat shares closed Jan. 4 up 1-3/4 in week; Sears was up 1/4.

Despite excitement generated by Sears news, outlook for Comsat's plans look as confused as ever—as FCC, Administration & Congress face toughest TV regulation question since cable TV. Outstanding are antitrust issues, public interest questions, institutional problems, including procedure to be followed by FCC. Also crucial is outcome of 1983 Regional Administrative Radio Conference to plan broadcast satellite service for western hemisphere.

Still missing from Comsat's announced plans are: (1) Source of programming. Speculation is that Comsat will seek partnership arrangement here, too. (2) Regulatory strategy. Comsat has hired former FCC Chmn. Richard Wiley to seek approval of satellite TV service. Last year, Comsat officials predicted they would file at FCC in Feb., but now expect filing by end of March. (3) Hardware supply. Who will make earth & space equipment is multi-million dollar question, with Japanese certain to bid for earth stations, hot competition likely among domestic & foreign suppliers for spacecraft contract.

Announcement of "possible" partnership with Sears came after Comsat also talked with Tandy Corp., operator of Radio Shack chain. Comsat said of Tandy last week: "We have no commitment to an exclusive with Tandy."

Sears has been promoting, selling & installing STV decoders for National Subscription TV in L. A. since early days of service, added Phoenix last year and will take on Miami-Ft. Lauderdale when STV begins this month. Objective is "national involvement," says Werner Koster, senior vp of Oak Communications, which plans STV expansion in addition to 3 announced ventures. (NST is shared with Chartwell Communications.) Sears accounts for 25% of 230,000 L. A. installations, 27% of 5,000 in Phoenix, is budgeted for 25-30% in Fla. Business "has been satisfactory for us," says Sears spokesman.

Another disclosure from Comsat: Cable TV systems won't be precluded from taking Comsat's multi-channel service, for resale to subscribers. If cable systems are permitted to offer Comsat's service, it may reduce opposition of cable industry to project. Biggest foes of Comsat would thus be, as expected, broadcasters.

U.S. boycott of summer Olympics in Moscow is being considered by Carter Administration as possible U.S. protest of Soviet Afghanistan invasion. U.S. & International Olympic Committees insist that only they can decide whether nation will participate or not. U.S. boycott of Olympics would be financial hammerblow to NBC. Network has insured about 90% of \$87 million payment to Soviets for rights to Olympics (\$62 million already paid) with Lloyd's of London consortium. Insurance premium is \$4 million. But real loss would come with probable cancellation of millions more in ad revenue already signed for Olympics. NBC programming strategy has been built around Olympics as springboard out of ratings cellar. If U.S. boycott forces Lloyd's payoff, it would be 2nd time within month Lloyd's had been stung—RCA loss of Satcom III last month cost Lloyd's \$77 million.

Iranian film of U.S. hostages was aired by 3 commercial networks last week—after Iranians dropped preconditions for release. Networks used 3 to 10 min. segments (instead of entire one-hour film taped and edited by Iranians) featuring 4 hostages reading statements condemning U.S. "spying" and refusal to return Shah. Networks explained conditions surrounding film's production before airing segments on morning and nightly news.

Pay-per-view STV ended in L. A. in Dec., American STV starting shift this month to flat monthly fee of \$19.95.

Home Box Office raised rates to cable systems Jan. 1, triggering pass-along rate hikes nationwide. Some 1,600 affiliates were notified in June of increase—ranging from 10 to 25 cents per subscriber per month—and were asked to consider passing increase on to subscribers. HBO spokesman said he knew of no system which dropped service as result, although systems were given that option. HBO contracts offer roughly a 50-50 split between HBO & system, and 4 million subscribers have been paying \$8-\$11 monthly for service. In addition to increase, HBO also began new discount structure allowing cost reductions depending on penetration. Price increase is first in HBO's 7-year history. Neither of HBO's major competitors—Showtime or Movie Channel—currently plan increases.

President Carter withdrew "reluctantly" from televised debate in Iowa scheduled Jan. 7 by Des Moines Register because he considered partisan political activity inappropriate during Iran crisis. Other Democratic candidates, Sen. Kennedy (D-Mass.) and Gov. Brown, canceled after Carter's action, causing commercial networks to drop debates from prime time. Republican debate, continuing as scheduled Jan. 8, will be aired live by PBS.

FM task force at FCC will work 6 months to "substantially reduce" backlog of 175 pending cases. Unit is headed by Mark Lipp, senior attorney in Policy & Rules Div.

PTV ON FOREFRONT? Major new CPB study on videotext & teletext urges PTV take lead in hardware & software, fund pilot projects, become major participant in establishment of standards.

Study by consultants Fred Cohen & Richard Hooper states PTV should begin now to develop expertise to "insure that public broadcasting is in the forefront... This is especially crucial in light of the fact that it will probably be the commercial sector which will be making the capital investment... and it is likely that the public service aspects... will be overlooked."

Report says software is key, that public broadcasting should not overlook it by emphasizing hardware. It calls for public broadcasters to begin surveying user needs, explore how producers can use TV text systems to complement TV & radio programs. Also, researchers recommend that all public broadcasting organizations plan to become major information providers themselves for commercial & non-commercial systems.

Another recommendation is that public broadcasting should produce newsletters, seminars and other means of keeping various public broadcasting & educational institutions informed of viewdata & teletext developments.

WALB-TV Albany, Ga. is being purchased by Atlantic Telecasting, owner of WECT Wilmington, N.C., for \$20.7 million cash. Sale won't be consummated if WALB-TV owner Gray Communications, which also owns Albany Herald, wins appeal of FCC forced divestiture ruling (Vol. 19:50 p6). WALB-TV reported net income of \$3.6 million for fiscal year ended June 30. Broker was Avpro Inc. Lee Enterprises decided not to contest FCC order, sold KIMT Mason City, Ia. to Bluefield (W. Va.) Daily Telegraph (owner of WHIS-TV Bluefield & WBTW Florence, S.C.) for \$9.5 million.

Demanding forfeitures, Independent TV Producers & Distributors protested "ongoing and irreparably injurious network conduct" in scheduling sports events encroaching on prime-time access periods. Group asked FCC for: (1) Cease & desist orders. (2) Elimination of exemption from PTAR for college football games for which less than 3-1/2 hours of network time has been allocated. (3) Ruling establishing scheduling guidelines for other sports.

Valtec plans to buy "significant minority interest" in new Chester Cable Corp., which is acquiring Cities Service Co. wire & cable plant in Chester, N.Y. Pres. of Chester Cable will be John Galley, major stockholder; 3rd stockholder is Les Cables de Lyon of Clichy, France. Valtec's investment is \$950,000. Cities Service Chester plant sales run more than \$25 million yearly.

Articles by, or featuring, Catharine Heinz, Broadcast Pioneers Library: "Women Radio Pioneers, Journal of Popular Culture," fall 1978; "Broadcast Pioneers Library," Stechert Macmillan News, July-Aug. 1979; "Television's Definitive Referral Center," Consortium of TV Archivists Newsletter, April 1979.

COX CABLE GETS READY: Preparing for merger with GE—now awaiting FCC approval—and for expected "explosive growth" of industry, Cox Cable is bringing in Robert Wright, gen. mgr. of GE Plastic Sales Dept., as pres. Jan. 15. At same time, 8 staff execs. were promoted to vps; Donald Williams remains exec. vp-chief operating officer.

Clifford Kirtland, pres. of parent Cox Bcstg., said changes are being made to "position Cox Cable for the next era of telecommunication services." He noted Cox now has franchises in 191 communities, serves more than 700,000 subscribers (including 330,000 pay), is seeking additional 36 franchises.

Promotions: William Pitney to senior vp-operations, W. Mark Sturm vp-treas., R. Bruce Ellis vp-west coast head, Bruce Bennett, vp-gen. mgr. of Cable Development Div., John Horne vp-corp. development, and vps for franchise development Thomas McGuire, Bruce Sanderson & Bruce Burnham.

"There seems to me no justifiable reason to rush into broadcast deregulation, in the name of the First Amendment, when the consequences could be media that speak only for the establishment and the advertising community"—N.Y. Times TV Editor Les Brown, upon receiving Louis Cowan (former CBS-TV pres.) Award in Communications from Aspen Institute for Humanistic Studies. Award was presented to Brown for his "exceptional contributions to public understanding of value choices, technological changes and the social impact of the mass media today."

"My answer is no," said PBS Programming Vp Chloe Aaron when asked if she would allow PBS to air Iranian propaganda film she hadn't seen in rumored deal to allow hostages to be freed. PBS was contacted through WNET N.Y. officials after they were told through intermediate sources of such a proposal. Aaron said she wouldn't allow carriage unless film could be seen beforehand, and PBS officials now doubt there was much substance to proposal anyway.

FCC violated Administrative Procedure Act in ARTEC case, crossing line "between developing reasonable standards for the waiver of an otherwise generally applicable rule and rewriting the rule itself," NAB charged in brief urging D.C. Appeals Court to reverse authorization allowing Arlington, Va. cable system to import signals from Baltimore.

SCTE Spring Engineering Conference Feb. 5-6, Adams Hotel, Phoenix, features sessions on teletext, expansion of system bandwidth and cable-computer-broadband systems.

TELEVISION DIGEST FORMAT

For the last 2 weeks, we have been producing Television Digest with word-processing equipment. We have found we have insufficient equipment to do the job properly. We have additional equipment on order. Therefore, we are reverting to our previous format until additional equipment is installed.

RADIO MEETING PRIORITY: FCC has asked State Dept. to expedite handling of U. S. proposals for Regional Administrative Radio Conference on 9-kHz AM channel spacing, starting March 10 in Buenos Aires. FCC Comr. Lee, head of 17-member U. S. delegation, wants proposal sent to ITU hq in Geneva as quickly as possible so it can be translated and circulated to western hemisphere administrations.

U. S. proposal focuses on desirability of cutting spacing, thus creating opportunity for hundreds of new stations, cutting heterodyne interference globally. U. S. also backs limitation of AM power to 50 kw—cutting South American stations currently using 2-3 times as much. Lee is taking Spanish lessons to be able to greet delegates in their language. He said he expects "the same anti-American thing as we have on a worldwide basis."

Lee told us that Canadian moves may prove crucial at conference. Canada is on record against 9-kHz, but U. S. hopes it can persuade it to change position. "If Canada is adamant, it won't fly," Lee said. Although initially dubious about 9 kHz, Lee says he's now "more enthusiastic" since it "seems to be the answer" to the problem of the daytimers and those "who need more stations."

Lee said he was surprised at relative ease with which FCC approved 9 kHz, having expected more opposition from broadcasters fearing competition. Wilson LaFollette in Bcst. Bureau is handling technical preparations for meeting. AM conference will focus on technical agenda, with 2nd session in 1981 to finalize agreement.

Another in series of weekend retreats for top FCC staffers—programmed by River at Sunrise Inc. of Mass. under \$100,000 contract—was held last weekend in suburban Md. Attending were Chmn. Ferris, his professional staff, bureau & office chiefs—and stress was on finding weaknesses in management. River personnel are at Commission couple days a week to hear complaints, etc., and planning conference of div. chiefs is scheduled in Feb.

Senate has authorized its legal counsel to defend congressional action barring public broadcasting stations from editorializing. Suit by League of Women Voters and others in Cal. was filed over year ago and Justice Dept. has refused to defend congressional legislation, indication it believes stations should have right to editorialize. So Senate was put in position of defending case.

Wave of mergers and acquisitions in mass media and its effects on small business will be studied by House Small Business General Oversight Subcommittee in hearing beginning Jan. 21. Subcommittee Chmn. John LaFalce (D-N. Y.) said "media concentration" may have adverse effects upon small businesses which rely on advertising.

United Church of Christ has won first round in FOI suit for FCC documents relating to radio deregulation (Vol. 19:53 p1). Federal Judge Kevin Duffy in N. Y. ordered Commission to give detailed justification to Court Jan. 8 for refusing access to documents and to provide them to Court by Jan. 11 for "in-camera" (closed to public) inspection.

'PUBLIC'S FIRST AMENDMENT': Walter Cronkite as keynoter. New Gallup poll of public on First Amendment, said to be "discouraging." Top media & govt. names discussing press freedoms. These are among major ingredients of First Amendment Congress Jan. 16-17 in Philadelphia sponsored by more than dozen media groups & trade assns. in broadcast & print. Follow-up is planned March 16-18 in Williamsburg, Va., and sponsors hope to make Congress annual affair.

Herbert Hobler, NAB radio dir. & chmn. of Freedom of Information Committee, who has ramrodded NAB participation (including \$25,000 contribution), said Congress will stress theme of "the public's First Amendment," as opposed to protection for media. About 250 have been invited; proceedings will be videotaped by WHYY-TV Philadelphia.

Highest paid public broadcasting officials in Washington are heads of 3 public broadcasting institutions, according to survey by our Public Broadcasting Report. They are: CPB Pres. Robben Fleming, \$70,000; NPR Pres. Frank Mankiewicz, \$70,000; PBS Pres. Lawrence Grossman, \$69,352. Next highest paid national executive is NPR Executive Vp Tom Warnock at \$62,500. Other executive salaries—CPB: Mary Lawton, gen. counsel, \$60,000; George Stein, acting telecommunications vp, \$55,000; Maxine Rockoff, research head, \$55,000; Ronald Davis, acting vp-finance & treas., \$55,000; John Dimling, planning dir., \$53,000. NPR: Sam Holt, programming vp, \$52,500; Clyde Robinson, stations services vp, \$47,500; William Oxley, senior vp-distribution, \$47,500; Art Roberts, chief financial officer & asst. treas., \$41,500; Walda Roseman, vp-national affairs, \$40,000; Ernie Sanchez, gen. counsel, \$37,500. PBS: Dan Wells, senior vp-engineering, \$61,150; Chloe Aaron, senior vp-programming, \$55,950; Michael Hobbs, senior vp-corporate secy., \$55,900; Neil Mahrer, senior vp, development & public information, \$55,850; Peter Downey, senior vp-corporate affairs, \$53,000; William Reed, senior vp, \$51,700; Ron Devillier, programming dir., \$51,000; Elizabeth Shriver, gen. counsel, \$48,000.

FCC staffers will be traveling a little less this year, but commissioners' offices and international trips aren't affected by mandatory 8% cutback in travel funds for all bureaus & divisions. Chmn. Ferris' travel budget remains at \$9,000 annually, other commissioners \$4,500.

Two-way electronic data link between stations and national reps is new service offered by Data Communications and Mini-Pak. "Buy Line" service gives stations with special Mini-Pak terminals access to computers of national reps.

Meetings with public to solicit participation in FCC proceedings are planned tentatively: Miami March 17, New Orleans March 19, Tucson April 16, Seattle April 18.

Sen. Goldwater (Ariz.), ranking Republican on Communications Subcommittee, has announced he'll seek re-election. There had been speculation he wouldn't.

Personals

Fred Silverman, NBC pres., speaks at IRTS luncheon Jan. 17, Waldorf Astoria, N. Y. ... **Sen. Ernest Hollings** (D-S.C.), chmn. of Communications Subcommittee, addresses NAB TV conference Feb. 8, Century Plaza Hotel, L.A. ... **Philip Verveer**, chief of FCC Common Carrier Bureau, speaks at Jan. 25 FCBA luncheon, Capital Hilton Hotel.

Max Buck, ex-NBC vp, named exec. vp, Vtt Media... **Wendy Dalton** promoted to dir.-daytime serial programs, NBC Entertainment... **Chuck Alvey**, ex-WNEM-TV Flint, appointed program mgr., KPHO-TV Phoenix... **Dave Ulrickson** promoted to local sales mgr., KCRA-TV Sacramento... **Norman Maurer**, writer & illustrator, joins ABC Entertainment as children's programming consultant... **Frances Williams**, WITN-TV Washington, N.C. asst. secy., also named vp-administration; **Francis Brady**, ex-WCBS-TV N.Y., becomes WITN-TV local sales mgr.

James Infantino, elected vp, Nielsen Media Research group... **Janet Miles** joins NAB as first woman regional mgr. (Kan., Okla., Neb., Tex.), succeeding **Steve Farabi**, now in law school; **Kittie Davenport** rejoins NAB N.Y. Code office as senior editor... **Roemmy Walker** appointed asst. to managing dir. of RTNDA, succeeding **Kim Hoggard**, now with Reagan Presidential campaign.

William Stiles promoted to exec. vp, SIN; **John Pero** to national sales mgr.; **Nell Randall** succeeds **Pero** as eastern sales mgr.; **Carole Bird** joins SIN as mgr., marketing services div.; **Gregory Luddy**, ex-SAMS, appointed ad dir.; **Gary Hecht**, ex-Y&R, named dir.-special projects.

Paul Simon, ex-KTTV L.A., appointed research dir., Warner TV... **Andy Coscia**, ex-Adam Young Inc., joins UA TV as vp-marketing... **Gary Persons**, ex-Tandy Corp., named account mgr., Station Business Systems... **Michael Gerber**, ex-Allied Artists, named Viacom vp, business affairs, East Coast... **Lee Tenebruso** appointed Showtime south central district sales mgr., succeeded as PR dir. by **Julie Osler**, ex-PBS.

James Whittaker, ex-Defense Dept., named asst. chief for management, FCC Office of Plans & Policy... **Marty Frange**, ex-MPCS Video Industries, appointed sales mgr., Eastern Div., ADDA Corp. (digital storage & signal processing)... **Jack Oken & Roger Goldhamer** advanced to senior vps, MMT Sales; **John Gluck** to vp-programming dir.; **Pete Uzelac** to vp-mgr., Cleveland office; **Mike Armstrong** to sales mgr., new office, 444 Brickell Ave., Miami 33131, 305-371-4969... **William Henchy** elected a vp, Adams-Russell, continues as pres., CATV Div.

Cable complaints report issued by FCC shows that of 2,043 contacts recorded by Cable Complaint Service, 22% concerned signal carriage rules, 17% syndicated exclusivity, 17% poor picture quality and interference, 6% inability to obtain cable service.

Peking radio advertising starts Jan. 1, at \$693-per-min., clustered in seven 10-min. segments.

WEEKLY Television Digest

with
Consumer Electronics ...

(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1980 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & Cable Addenda*, *Cable Atlas*, biweekly *Public Broadcasting Report*, *Satellite Week* and other special publications

EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036
Phone: 202-872-9200

WASHINGTON HEADQUARTERS

Albert Warren ... Editor & Publisher
Dawson B. Nail ... Executive Editor
Paul L. Warren ... Associate Editor
Jonathan Miller ... Assistant Editor
Christopher Kelly ... Assistant Editor

Television Factbook

Mary Appel ... Editorial Director
Mariou B. Legge ... Managing Editor

Factbook Research Inc.

Sean P. Maloney ... General Manager
Business

Edward L. Sellers ... Sales Dir.
Roy W. Easley III ... Business Mgr.
Barbara J. Pratt ... Circulation & Sales Promotion Mgr.
Lisa Maurer ... Asst. Sales Dir.

NEW YORK BUREAU

510 Madison Ave., N.Y. 10022
Phone: 212-355-5611

David Lachenbruch ... Editorial Dir.
Robert E. Gerson ... Senior Editor
Seth Goldstein ... Associate Editor

JAPAN REPRESENTATIVE (Editorial & Business)

John H. Nakamura

13-3-1001 Roppongi 5-chome
Minato-ku, Tokyo 106, Japan
Phone: 03-583-7493

Environmentalist coalition has accused 7 Cal. stations of violating fairness doctrine when refusing to broadcast rebuttals to Pacific Gas & Electric ads. Media Access Project, which filed suit, said 10 stations agreed to run 1978-79 rebuttals without charge while those being cited in FCC filing didn't. Stations are KRON-TV San Francisco, KJEO-TV Fresno, KMST Monterey, KRCR-TV Redding and KTXL Sacramento. In addition, complaints were filed with FCC against KVIQ-TV Eureka & KMJ-TV Fresno because they allegedly refused to say when rebuttals were broadcast.

Network-affiliate structure may be obsolete by end of decade, TV Guide predicted Jan. 5, looking for 40 million cable homes and low-priced satellite earth stations by 1990. NBC Pres. Fred Silverman is quoted as believing NBC will offer 6 simultaneous networks, emphasizing news & sports.

FCC "tutorials" start in Washington in Jan. under direction of Office of Science & Technology, "designed for those interested in communications technology but who do not have an engineering background." First session Jan. 10 is on fiber optics, given by ITT Chief Scientist Charles Kao.

Patent infringement suit has been filed against Warner Cable & Houston Cable TV by TOCOM, which claims Warner is installing Houston's QUBE system using 2 TOCOM patents.

Blair TV opens south Fla. regional office at 444 Brickell Ave., Rivergate Plaza, Suite 48, Miami 33131, 305-358-9911

Cable News Network has ordered \$1.8 million in RCA cameras, including 6 TK-47s and 21 TK-76Cs.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 21 (51st week of 1979):

	Dec. 15-21	1978 week	% change	Dec. 8-14	1979 to date	1978 to date	% change
Total TV.	324,133	324,055	-0.0	336,053	15,832,852	15,954,264	-0.8
color	187,829	199,680	-5.9	206,728	9,681,211	10,030,200	-3.5
monochrome . . .	136,304	124,375	+9.6	129,325	6,151,641	5,924,064	+3.8
Home VCR	11,360*	8,524	+33.3	15,516	465,309*	389,236	+19.5
Total radio	555,269	568,819	-2.4	604,407	39,286,245	44,576,264	-11.9
home, portable .	340,291	340,723	-0.1	444,829	27,089,706	32,066,243	-15.5
AM-only	126,783	169,435	-25.2	125,205	5,423,459	7,787,131	-30.4
FM & FM-AM .	213,508	171,288	+24.6	319,624	21,666,247	24,279,112	-10.8
auto	214,978	228,096	-5.8	159,578	12,196,539	12,510,021	-2.5

Color TV 5-week moving average: 1979-214,713; 1978-230,411 (down 6.8%).

Home VCR 5-week moving average: 1979-13,933*; 1978-10,737 (up 30.1%).

*Record for period.

1980—A TROUBLED, RECORD YEAR: "Tough" is best word to describe conditions in consumer electronics industry throughout 1980, with competition in TV & stereo fiercer than ever. But thanks largely to new products, 3rd consecutive record year in sales volume appears to be underway for this \$10-billion-plus industry.

That's how 1980 appears to us as we venture out on our customary New Year's limb to forecast what's in store for industry. Just one year ago in this space we correctly predicted 2nd consecutive record year for industry, and we forecast color TV sales of 10 million at time when industry consensus was 9.3 million (Vol. 19:1 p7); we came within 2% of actual number, as it turned out. We did underestimate b&w sales at 5.7-5.8 million, and we went too far on VCR sales (we said 550,000). We correctly forecast that RCA would "put 1981 date on first large-scale marketing" of videodisc, that Magnavision "won't be anywhere near national" and that color set imports would drop sharply, accompanied by rise in imports of incomplete sets. Some but not too many, of our forecasts were egregiously wrong (you can look them up—we'd rather not repeat them)—but in general we take pride in our record for 1979.

Now, for this year—again, we're more optimistic than consensus in TV sales-to-dealers numbers: Color, 9.5-million-plus, keyed to increased availability of low-end sets plus growing replacement market. Monochrome, at least 6 million again. These figures compare with 9.8-million-plus color, 6.3 million b&w in 1979. In home VCR, we'll go with 550,000 for another round (same as industry consensus), up from 1979's estimated 480,000.

In TV, we think 1980 will be particularly competitive as Japanese-owned plants in U.S. compete in full force for first time against traditional domestic producers and each other. Prices will increase in small increments, as in last few years—and increases will stick—but average price per sale could decline because of heavier sales of low-end product in total mix.

Foreign trade: Another year of trade turmoil for TV, with now-familiar cast of characters. International Trade Commission will return to center stage in 2nd quarter with hearings on COMPACT request for updated ruling that domestic color industry is subject to import-injury. ITC will find injury, President will order 2-year extension of quota on shipments from Japan, Taiwan & Korea (with increased allowances for incomplete sets from Taiwan & Korea).

TV dumping case will stay unresolved, as Japanese pay up on pre-July 1973 imports, challenge Treasury's commodity-tax-based valuation system in Customs Court. Commerce Dept., now in charge of dumping law enforcement, will decide to hold off processing of later imports until legal issues are settled. Japanese offers of out-of-court settlements will keep Zenith-NUE \$1-billion antitrust suit against Japanese industry from going to trial this year.

We look for minor rise in imports of complete color sets to about 1.5 million, and 50% jump in incompletes to over 3 million. Imports of b&w will hold in 6-million range with help of mini-combos, which will be counted for first time this year.

Technology & innovation: Uncertain economic conditions will cause stretchouts & postponements of major changes in TV product. Electronic tuning will continue to increase inroads, with remote control penetration increasing moderately. Comb-filter picture-sharpeners will spread through high end of several lines. TV audio improvements will continue to be tentative & experimental, and public once again will decline to put money where its ear is. Programmable TVs & stereos will be delayed as manufacturers concentrate on cost savings, and such gimmicks as multi-picture TVs & voice-activated sets will be confined to role of novelty traffic-builders.

Videocassette recorders: Confusion over format will build through year, and 1979 will be clothed in nostalgia as golden age of standardization. "Non-standard" VCRs will be introduced, but it won't be their sales so much as publicity over those and others rumored & announced which will begin to cause public to doubt wisdom of buying now. Economic conditions will take toll, VCR probably being most postponable of all purchases. Nevertheless, longer recording time & special effects will spur sales in luxury market, while new stripped-down units at low prices (introduced in 2nd half as competitors to disc players) will help expand market to squeak past 1979 sales figure by about 15%. Cassette prices will rise.

Videodisc: Magnavox will rev up assembly operations, open at least dozen new markets, while DVA—with new disc plants going on stream—will support introductions with fair amount of programming, more recent Universal movies going onto disc. Pioneer will introduce own consumer player, of striking design, at somewhat above Magnavision price, and pump fairly good quantity into market in 4th quarter. Neither system will achieve true nationwide penetration, and success of product still won't be assured by year's end when Magnavox introduces lower-priced U. S.-made player.

American & Japanese set makers will start choosing sides, and at least 2 U. S. manufacturers will opt for RCA system on OEM basis without setting up own manufacturing facilities. One or more Japanese manufacturers will side with RCA, getting ready to produce for itself and any others it can sell to. There will be no production of Japanese-developed formats during year, and MITI won't standardize on any one format. Barrage of RCA publicity will intensify during year, accompanied by rumors that its target date has slipped. Optical system will be embraced warmly for industrial-institutional market, but huge GM-sized orders will be hard to get because of economic conditions.

Video programming: Sales of recorded cassettes will double to 2.6-2.8 million, "legitimate" titles accounting for 2 million, remainder porn, with retail volume approaching \$200 million, plus \$25-\$35 million in rentals. Ratio of 2 programmed cassettes per installed VCR will continue to hold. Try as they might, distributors won't reduce prices much below present levels. Cost of petroleum-based raw tape, pressure on duplicators from entry of Warner this month, Disney later, plus consumer demand for new titles, will see to that. First high-speed "printers" could come from Matsushita at midyear, but won't have appreciable impact for about a year. Duplicating capacity should increase by 30-50% to keep pipelines full.

Disney's shoe will drop after MCA-Universal's, leaving MGM only uncommitted studio, and it too could announce before year's end. Disney probably will set up own rental program through network of franchised retailers. Other major entrant will be ABC, trailed by CBS. Record industry generally will await disc, while being intensely embroiled in complex disputes over performance rights. Magnetic Video will continue as No. 1 supplier, but lead will shrink and time between theatrical & video release will shorten.

Home satellite reception: Award for best-publicized gadget of 1980 could go to backyard earth station, but sale & lease won't total more than 1,000-1,500. Leading suppliers of tiny, affluent market will be Tele-Communications Inc., leasing Scientific-Atlanta Homesat line, and manufacturer Gardiner Communications. Proposed Sears-Comsat deal (see p. 2) will spur interest by other big marketers, and there'll be plenty of noise about low-cost earth stations by Japanese & U.S. manufacturers.

Projection TV: Publicity will continue to outshine sales, but there will be moderate increase, while both one- & 3-tube sets improve in performance. Prices won't come down, and total sales will be in 60,000 area. Big gains will be forecast for 1981. No technological breakthroughs.

Audio: Crunch turns to crush for audio marketers in 1980. Numbers won't be too bad, with mid-fi compact & component systems steady at about 5 million, consoles down some 10% to 700,000. But competition will be fierce as compact makers continue expanding into quality components and hi-fi firms, recognizing 1979 mistake, dump low-end equipment. Price increases won't stick, leaving several major audio firms with choice of merger or bankruptcy.

New-car sales slump will impact heavily on autosound marketers, and sales will drop for first time in 4 years. First round of shakeouts will come by midyear, independents becoming major casualties. No AM stereo or FM quad this year. Digital audio systems will continue to be audio show-stoppers, but won't be products for the home—except mansions of rock stars.

Computers & games: Having missed sales boat in 1979, personal computer makers will devote first half to market development. First real sales effort will come in fall, but combination of high prices, tight money and product uncertainty at dealer & consumer levels will yield disappointing results. Perceived utility also will be problem for handheld computers, which will have hard time overcoming effect of downbeat user reports in consumer media. With Atari & Magnavox only majors left, high-end programmable video game business will stay healthy. Spread of electronics in other toy & game areas will be faster than ever and explosive chip demand will mean continued shortages.

ELECTRONIC TUNING DOMINATES COLOR: As they have all year, electronic tuning, including remote, and 13" portables provided only real bright spots in otherwise sluggish 9-month color TV market at new supply level, EIA figures show.

Electronic tuning took over market in 3rd quarter for first time, appeared in 50.5% of 2.28 million color sets made or imported in period, up from 38.7% in same 1978 quarter, while remotes accounted for 24.3%, up from 15.5%. For full 9 months, 43.6% of all color sets had electronic tuning, up from 35.8%, including 79% of consoles, from 66.8%, 33% of portable-table (P-T) models, up from 25%. Also for 9 months, remotes were in 20.9% of new supply, up from 15.3%, with P-T remotes at 19.5% from 14.6%, consoles at 25.6% from 17.5%.

While 19" color supply was virtually unchanged for full period, that size increased its market domination as overall output declined, with only 13" showing substantial growth. Overall console production was down, although TV-radio-phono combinations closed out full period up slightly on production surge in 3rd quarter. New supply of furniture-model sets for 9 months was down 15.6% to 1.72 million, accounting for 23.1% of total color, down from 25.8% in same 1978 months.

Breakdown for P-T color shows biggest new supply fall-off in small-screen models 12" & under, which dropped 36% to 358,600, to account for 6.2% of that market segment, down from 9.5%. Results for other sizes: 13", 998,000, up 15.1% for 17.4% share (from 14.7%); 14"-17", 572,800, up 2.8% for 10% share (from 9.5%); 18"-19", 3,634,400, up 0.1% for 63.3% share (from 61.7%); 20" & over, 182,000, down 33.7% for 3.2% (4.7%). EIA doesn't report screen-size results for consoles or combos.

In b&w, where new supply was off 0.1% to 4.87 million, AC-DC accounted for unchanged 21% market share as number of such models dropped 0.1% to 1.03 million. AC-DC models slipped slightly to 25.4% from 25.6% as percentage of 12"-&-under models.

B&w screen-size breakout: 10"-&-under, 548,100, down 36.6% for 11.2% share of total b&w (down from 17.6%), with AC-only 54,900, down 74.6% for 1.1% share (from 4.4%), AC-DC 493,200, down 23.8% for 10.1% share (from 13.2%); 11"-12", 3,495,500, up 9.7% for 71.7% share (from 64.7%), with AC-only 2,962,100, up 5.9% for 60.8% share (from 56.8%), AC-DC 533,400, up 36.9% for 10.9% (from 7.9%); 13"-17", 278,200, down 1.7% for 5.7% share (from 5.8%); 18"-&-over P-T, 536,600, down 5.5% for 11% share (from 11.5%); consoles, 14,100, down 34.6% for 0.3% (from 0.4%).

COLOR TV PRODUCT MIX-9 MONTHS

Type	Units	1979	% of total	Units	1978
		% change			% of total
Portable-table	5,746,000	-2.5	76.9	5,890,000	74.2
Console	1,708,000	-15.8	22.9	2,028,000	25.6
Combination	17,000	+8.9	0.2	16,000	0.2
TOTAL	7,471,000	-5.8	100.0	7,934,000	100.0
Remote control	1,564,000	+28.7	20.9	1,215,000	15.3
Electronic-tuned . . .	3,258,000	+14.8	43.8	2,837,000	35.8

RECORD VCR IMPORTS: Reflecting growing shipments of new-model VCRs, Nov. imports topped Oct.'s record, totaling 76,900, up 97.4% from Nov. 1978, bringing 11-month imports to 608,300, up 33.9%. Figure includes unknown number of industrial-institutional machines (probably around 50,000) in addition to consumer models. Total VCR imports for full-year 1978 were 479,600.

First U.S. production of home VCRs is scheduled to begin soon. BASF officially opened its 210,000-sq.-ft. Fountain Valley, Cal. plant for manufacture of LVR (linear video recorder), scheduled for U.S. marketing in mid-1980. BASF says plant will employ more than 400 this year, ultimately rising to 1,000. BASF's LVR, Toshiba's LVR (longitudinal video recorder), Technicolor-Funai portable (Vol. 19:53 p7) and Philips Video 2000—if they all come to U.S. market—would raise number of mutually incompatible formats from relatively comfortable 2 (Beta & VHS) to 6.

Meanwhile, more of those new VCRs arriving from Japan are being introduced. GE announced new 2/4/6-hour Hitachi-made programmable which can record up to 5 programs in week, with 12-button electronic tuner and step-by-step "reminder lights" to lead user through programming sequence. Unit has no list price, but is expected to sell at around \$1,150, will be promoted March 3-April 30 with \$50 rebate offer. GE's unit is expected to be similar to Hitachi VT-5800A, which recently received FCC type approval (Vol. 19:48 p10) and is expected to be shown at CES.

Most optimistic prediction for 1980 VCR sales yet comes from Sharp's William Caire, who says they could come to "possible total" of 750,000. He predicts programmables will account for 60%, basic units 25%, portables 15%, and that one out of 4 VCR sales "represents the opportunity for the dealer to sell a camera."

Sony says it produced 600,000 home VCRs in 1979, will make about 800,000 in 1980, estimates its share of worldwide home VCR population at 30-

40%. Company also says it will make 2.3 million TV sets in fiscal 1980 (to Oct. 31), up from 2.1 million in fiscal 1979.

In video, CES this week promises to be as big in programming as in hardware. Magnetic Video will announce new releases—Fox's "The Omen" & "Silver Streak," Avco Embassy's "Murder by Decree" & "The Producers." Paramount will introduce 10 titles, and Warner will be talking with dealers about its introductory package.

There will be one major product premiere at CES: Pioneer will show working model of its consumer optical videodisc player for first time.

Videoplayers, disc as well as tape, and many TV combinations will show up in import figures for first time this year as result of changes in statistical breakouts requested by EIA and effected by International Trade Commission. Videotape players, formerly grouped with audio players, shift to new "video player" classification, broken down into "magnetic tape" & "other," latter being videodisc players. Until this year, only imports of TV-radio-phono combinations were identified in terms of units. Shipments of other combos were logged only as to value, and buried in catchall "TV apparatus not elsewhere specified" classification. New heading for TV combos breaks b&w down into 6"-&-under, 7-8", 9-10" & over 10"; separate "other" classification covers all color combos. Duty rates are unchanged, with videoplayers at 4.8% this year, dropping gradually to 3.7% in 1987, TV combos at 7.2% and declining to 4.9%.

Another premium videocassette for slow-speed VCRs has been introduced by Maxell, following similar introduction by TDK (Vol. 19:52 p10). "HG" cassettes, claimed to have increased signal-to-noise ratio and video output, fewer dropouts, will be available in Feb. in VHS 30-90 min. type (\$18.95), 1-3 hour (\$21.95), 90-270 min. (\$25.95), 2-6 hour (\$29.95). Maxell also introduced its first Beta cassettes—L-250 (\$16.95) & L-500 (\$22.50).

DUMPING CHANGE DELAYED: Harassed Japanese TV importers got some good news last week in form of at least one-year delay in implementation of new Customs regulations requiring that cash, rather than surety bonds, be posted to cover estimated dumping duties. Change was to have been effective Jan. 1, when responsibility for dumping enforcement shifted from Treasury to Commerce.

Importers were openly sweating over pending change which, for many, would have meant complete halt to TV imports from Japan. Importers must put up dumping payment guarantees before they can take delivery of goods. Customs is currently requiring dumping bonds covering 20% of shipment value from independent importers, 100% of value from subsidiaries of Japanese manufacturers. Even at currently depressed level of TV imports from Japan, importers are posting bonds of \$8-\$10 million monthly, at one-time cost of 1-2% of face value. Putting up cash could collectively cost importers as much as \$1.5 million a month at today's interest rates, cut sharply into operating credit lines.

While new rules may be applied on some products, implementing them across-board could cause serious trade disruption, according to Commerce official. In case of TV, there's also something of legal question. Cash payments are supposed to cover actual estimate of duties to be collected. But Customs has only assessed final duties on Japanese TV imports of 4-8 years ago, and there's no guide for what importers may have to pay for 1980 shipments.

Long slide in Japan's TV exports to U.S. continued in Nov. with total shipments down 48.3% to 104,400, Finance Ministry reports. Color dropped 46.3% to 45,700, as complete sets fell 56.5% to 29,800, chassis & kits slipped 4.6% to 15,800. B&w exports dropped 50% to 58,700. For 11 months, total exports of 1.24 million were off 59%, with color down 57.1% to 621,900, b&w off 60.7% to 617,400. In color, full-period shipments of complete sets were down 61.9% to 485,400, incompletes off 21.8% to 136,400.

Japanese, however, are more than making up for color export falloff through increased production at U.S. assembly plants. Following similar announcements by Sony & Toshiba (Vol. 19:53 p12), Hitachi & Mitsubishi say they too will boost color output here this year. Hitachi, currently assembling about 2,000 color sets monthly at temporary facility in Compton, Cal., expects to complete new plant there by Feb. and expand to 10,000 monthly, with gradual increase to 15,000 monthly by year's end. Mitsubishi says production at Irvine, Cal. plant will be doubled to 20,000 monthly by 1981.

We estimate that color TV production here in Japanese plants, or for Japanese-brand accounts by U.S. private-labelers, last year totaled about 2.8 million, just short of 2.8-million record for complete color imports from all countries set in 1976. If Japanese carry through stated expansion plans, that output will jump at least 20% this year to 3.4 million, and that excludes an additional 400,000-600,000 scheduled to be assembled in U.S. this year by or for Taiwan and Korean companies.

H-K COMEBACK BID: With new owner, new management, new financing and new product line, Harman-Kardon is launching bid at Winter CES to regain its former hi-fi market respectability. H-K was acquired from Beatrice Foods last Oct. by Japan's Shin-Shirasuna Denki, which has been producing equipment for H-K (Vol. 19:44 p11).

There's no high-power master plan for recovery, according to H-K Pres. Robert Furst, who acknowledged that generally depressed state of hi-fi business makes this "probably the worst year for such an attempt." But, he added: "I'm very optimistic that we can turn this around." Basic recovery plan is for return to H-K's old successful policies of controlled distribution, good margins and stress on performance rather than features. "We didn't have the best specifications, but we had the best sound," said Furst, who was engineering head at H-K in 1950s & 1960s.

Furst, who moved to H-K from Beatrice's subsidiary Harman International after acquisition by Shin Shirasuna, says he's under no pressure from new parent for quick move to profitability—"but I'm not as patient as they are." Cost-cutting is high on immediate agenda. H-K will move soon to new 25,000-sq.-ft. quarters near present 100,000-sq.-ft. Long Island location, is halting domestic production of high-end components and may or may not have similar items produced in Japan.

First of new generation H-K products is matched collection of components sized between standards & minis. It includes cassette deck at \$445, standard & digital FM tuners at \$235 & \$375, amp & pre-amp at \$275 & \$395. Full-sized components with similar styling will appear in June. Furst has little faith in future of ultra-mini components in U.S. "They were never alive here, but other Japanese are pushing them because they're selling in Japan." They don't do well here because "people are suspicious of what's inside them"—and with good reason, says Furst, as their circuitry "violates the concepts of good design."

Longer-term expansion plans don't include buying compacts or mid-fi components from parent, which is major producer of such systems. "We have no plans along that line," partly because of possible conflicts with parent's other U.S. OEM customers, "but we do plan to introduce Harman-Kardon into Japan this year." Furst is anxious to get into digital audio so H-K will be in position for what he feels is "coming blending of audio & video information systems." He feels digital audio player at \$500-\$600 could be ready for market in about year, believes it could capture 10% of audiophile market rather quickly. Buyers, he says, will be current owners of esoteric systems "who are frustrated because their equipment is better than anything they can get to play on it."

Japan's production of electronic equipment rose 10.6% to \$25.5 billion in 1979, will increase 10.1% to \$28 billion in 1980, EIA-Japan estimates. It put value of 1979 consumer electronics output at \$9.5 billion, up 3%; industrial products at \$8.3 billion, up 22%; components at \$7.6 billion, up 9%. Outlook for 1980: Consumer electronics \$10.2 billion, up 7%; industrial \$9.5 billion, up 15%; components \$8.3 billion, up 9%.

REBATE SEASON: First-quarter TV set promotions are here—and while they appear to negate price increases, they have become necessary way of life in industry, planned long in advance and taken into consideration as standard practice independent of price increases. Promotions have helped even out seasonal variations in TV sales.

Rebate has become popular tool for pushing first-quarter sales, presumably because of success achieved by RCA with this technique. RCA uses new-old twist in Jan. 10-March 2 "Instant Savings Days" promotion, offering "immediate savings with no waiting for a rebate check." Savings of \$100 will be offered on VCRs and 19 Colortrak consoles listing at \$810 & up, with \$50 reductions on \$780 consoles, \$30 on 19" & 25" table models. RCA calls it largest first-quarter retail promotion in its history, affecting 36 Colortrak models.

Zenith started follow-up factory price increase Jan. 1, after \$10 across-board raise Dec. 1 (Vol. 19:47 p9), begins 6-week Savings Bond promotion Jan. 18 (through March 3). Zenith Sales Pres. Walter Fisher explained that Jan. 1 increases were in form of reduced sales promotion allowances and couldn't be quantified or translated in terms of suggested list prices. Company earlier said that the 2 increases would raise color TV factory revenues by about 2.5%. Promotion awards \$50 Series EE Savings Bonds with all system 3 consoles (listing at \$810 & up) and 19" system 3 sets listing at \$530, \$550 & \$650.

GE introduces own rebate program starting when some of others end, March 3-April 30, giving \$50 on sales of 11 VIR remote consoles listing at \$810 & up as well as on new 6-hour programmable VCR. All 13 VIR II non-remote consoles with light sensor (\$670-\$865) are eligible for \$25 rebate. Special Jan. 2-Feb. 15 promotion provides free 10" Porta Color set with each Widescreen 1000 projection TV. GE also introduced new 19" set with Color Monitor designed to sell at around \$450.

Magnavox Silver Anniversary Sale, Jan. 20-March 3, will feature savings up to \$100 (dealer option) on 25" color, \$40-\$50 reductions on color table & portable models. Included will be 3 TV combos, 10 consoles, 6 table models, 3 portables, as well as promotional discounts on 7 stereo consoles and 7 component systems.

Labor Dept. declared former workers producing color TV components & subassemblies at RCA's Bloomington, Ind. plant eligible for import adjustment assistance. Agency said that while actual complete-set production at plant has increased each year since 1977, so have RCA's imports of parts, assemblies & chassis. Labor said it found that RCA has increasingly transferred labor-intensive operations to off-shore facilities, and that declining employment at Bloomington is related to RCA's decreased demand for domestic-made components.

Two cassettes are better than one, according to Sharp, which introduced portable AM-FM-cassette combination with double cassette system to permit dubbing from one to another or continuous 2-hour cassette play, at \$530.

Consumer Electronics Personals

Jay Walkingshaw, ex-Home Box Office, joins Time Life Video Club as vp-gen. mgr. . . Frank Reitter, Magnavox New England zone gen. mgr., and William Ulewicz, NE zone sales mgr., add same responsibilities for N.Y. zone in consolidation; Herb Cadel, former N.Y. gen. mgr., resigns; Lenny Simon, ex-N.Y. sales mgr., being reassigned. . . Noboru Kouchi resigns as Sansui (U.S.) pres., duties assumed by Motoshisa Miyake, Trade Dept. dir. for parent in Japan.

Keith Ido appointed mgr. of new JVC (U.S.) Accessories Dept. . . Thomas Werthelmer, MCA vp, and Lewis Branscomb, IBM vp-chief scientist, named to Associates Committee of Discovision Assoc., videodisc manufacturing joint venture of MCA & IBM. . . Barry Goldman advanced at TEAC from national sales mgr. to sales & mktg. vp. . . Marcia Golden, ex-CES Publishing, joins Mart as assoc. editor Jan. 21.

Pat Murray advanced at BSR from sales administrator to Consumer Products Group midwest region sales mgr., succeeding Tom Ebeling; resigned to enter rep field. . . Fred Yando promoted at KEF Electronics from sales coordinator to national sales mgr. . . Wayne Jones, former financial planning mgr., appointed Intermagnetics vp & asst. secy.

John Doherty appointed Sylvania Circuit Products Div. controller, replacing P.G. Gopal, resigned. . . Jeffrey Boetticher, ex-Byte Industries, joins Commodore as domestic sales dir. . . Thomas Mitchell resigns as Commodore mfg. mgr. to join Shugart Technology as operations vp. . . Tim McLoughlin promoted at BSR (USA) Industrial Products Div. from asst. vp to Midwest & West vp.

Lafayette Radio filed for Chapter XI bankruptcy protection Jan. 4, has until Feb. 15 to submit plans for revamping operations and Feb. 29 to notify banks of outside investor. Meanwhile, 125-store chain will close 31 unprofitable outlets, with revenues from sale of inventories applied to \$15 million bank debt. Four lenders precipitated crisis when they announced acceleration of loan payments, use of certain Lafayette accounts to offset amount due. Lafayette also has trade debt of \$7 million, reported net loss of \$3.1 million on sales of \$10.7 million for first fiscal quarter ended Sept. 29, on top of cumulative losses of \$26.2 million during last 3 fiscal years.

Consumer Reports tackles color consoles in Jan. issue, finds pictures "at least good with every set," audio "bad" on most sets. It likes quartz tuning & comb filter. Highest-rated set is top-of-line RCA with Dual Dimension Sound (list price \$1,100), praised for picture, sound & tuning, followed by 26" Sony, lower-priced Sylvania & RCA consoles.

Digital audio adaptor for home VCR will be introduced by Sanyo at CES. Priced at \$4,000, unit will be shipped with Beta cassette recorded directly from digital master of Ry Cooder's album "Bop 'Til You Drop." Sanyo also will introduce palm-sized 2-speed FM-AM microcassette recorder, providing up to 2 hours recording, at \$180.

WEEKLY

Television Digest®

with
consumer
electronics®

35th YEAR OF PUBLICATION
35
1945-1980

The authoritative service for broadcasting, consumer electronics & allied fields

JANUARY 14, 1980

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 20, NO. 2

Broadcast

NBC's OLYMPIC UNCERTAINTY: Carter Administration sends out mixed signals on threatened Olympic boycott while NBC, facing possible loss of \$150 in ad revenues, says it assumes Games will proceed as scheduled. (P. 1)

IOWA POLITICAL RATE: Carter & Reagan want 'lowest unit rate' charged for spots before Jan. 22 caucuses. FCC expected to go along. (P. 2)

FCC DIRECT TV STUDY: Staff starts direct satellite TV study. Five bureaus involved. No advantage for Comsat seen. Goal is options paper for Commission in 6-9 months. (P. 2)

MORE TIME ON DEREGULATION: Comments deadline extended to March 25 to consider new information. Carter sees 'pressing need' for less govt. regulation. Church-minority opposition to de-regulation intensifies. (P. 3)

FORECASTS FOR 1980: Commerce Dept. study sees strong revenue & earnings increases for TV radio, & cable. (P. 3)

CHINESE TV SATELLITE: Chinese broadcast monitored in Japan describes 3-4 year program using 'receive & relay' earth stations & translators to form national network. (P. 4)

PERTSCHUK ASKS OUT: FTC Chmn. voluntarily leaves kid ad rulemaking to placate foes on Hill after winning bias case. Move seen preventing appeal to Supreme Court. (P. 4)

OLYMPIC UNCERTAINTY FOR NBC: Carter Administration's on-again off-again push for U. S. boycott of Moscow Olympics as protest against Soviet invasion of Afghanistan is causing Olympic-sized tension at NBC. Administration was sending out mixed signals on boycott last week, with Vice President Mondale (on campaign in Ia.) urging Olympics be held outside USSR, while Administration officials in Washington admitted that President has no power to order boycott and that Carter was unlikely to call for boycott unless significant international and domestic support is assured. At same time, State Dept. was saying that boycott continued to be "live and open question" tied to Soviet response to world outrage. Meanwhile, U. S. Olympic Committee, only body with official power to boycott, asked White House for "clarification" of its position.

Alan Baker, NBC's Olympics spokesman, said that if boycott became official and U. S. didn't send team to Moscow, NBC wouldn't attempt to cover games and would collect on \$80 million insurance policy with Lloyd's of London (Vol. 20:1 p3). But Baker added that NBC is proceeding on assumption that Games will occur as scheduled. In addition to \$87 million paid to

Consumer Electronics

1979 SALES: Color chalks up 2nd best year with 9,846,487 sets, VCR at record 475,396, monochrome's 6,254,601 best since 1973. (P. 6)

RCA-CBS VIDEODISC pact could have explosive impact on hardware & software firms, but standards battle isn't over. Warner could be next to go to RCA system. Pioneer unveils prototype player. (P. 6)

BIG VCR PRICE BREAK seen starting at CES with new Sanyo list price of \$695, other moves. Toshiba promises play-only LVR at around \$300, recorders at \$400-\$600. (P. 7)

VIDEO PROGRAMMING blossoms in Las Vegas. Heavy crowds, new releases from Paramount, Warner, Columbia. Magnetic Video raises prices. Disney plans April rental test. (P. 9)

RECORD IMPORTS of color VCRs & cameras, b&w TV reported for Nov. Color chassis-kit imports up, complete sets down. (P. 11)

BOHSEI, TOSHIBA test color consoles at CES. Hitachi, Sanyo, Panasonic, Tatung boost prices. Vocal TVs at show: Some you talk to, others talk to you. (P. 11)

DISCS SELL VCRS, Atlanta retailer tells CES. A.D. Little VCR-disc player forecasts. Panasonic, Hitachi introductions. Tape market softens. (P. 12)

X-RATED CASSETTES go respectable at CES with own exhibit area, better packaging, slick catalogs. Leading porn distributor contradicts 50-70% market-share estimate. (P. 12)

Russians for rights, NBC would lose almost \$150 million in ad revenue already booked for Games if coverage is called off. Most serious effect of boycott threat has been upon USOC, where contributions have dropped sharply since Carter announced boycott possibility.

Threatened boycott has provoked intense debate in U. S. and abroad. Saudi Arabia announced withdrawal from Games, and called for other Islamic nations to boycott. NCAA voted to support Carter if he calls for boycott. Meanwhile, ABC's Roone Arledge noted that NBC news coverage of boycott possibility featured athletes opposing move but presented no comment from Administration on advantages of boycott; NBC responded that news piece was on "human" effects of boycott. Columns in Washington Post by Robert Kaiser and in N. Y. Times by Tom Wicker called for boycott. In Europe, support for boycott idea subsided after initial surge following Afghanistan invasion.

IOWA POLITICAL RATE: Following on heels of Carter-Mondale decision (Vol. 19:49 p2), which was argued last week in D. C. Appeals Court, FCC is about to issue another decision drastically changing rules covering political broadcasting. Carter & Reagan Presidential camps have asked Commission to rule that Ia. TV-radio stations must charge their "lowest unit rate" for advertising in advance of Jan. 22 political caucuses.

Rule applies 45 days before primaries, 60 days before general elections, and requires stations to charge political candidates lowest rate given frequency discount advertisers. Gen. Counsel's office has recommended that FCC rule—and majority of commissioners are expected to go along this week—that Ia. caucus is tantamount to an election and thus stations can charge no more than lowest unit rate.

FCC DIRECT TV STUDY: FCC staff has started inter-bureau review of regulatory issues raised by direct broadcasting satellites. Goal is to prepare options paper for presentation to Commission within 6-9 months. Move comes as Comsat is expected to apply for authority to start subscription satellite TV. FCC staffers say they want to develop principles for broadcasting satellites before moving to consider Comsat's request.

Office of Plans & Policy Chief Nina Cornell tells us: "We don't want to move agonizingly slowly or be pushed around by who got in the door first. This is an attempt to have an orderly response, to see where it fits."

Representatives from 5 FCC bureaus are participating in project, coordinated by OPP, to determine, in words of another official: "What we don't know about this issue. We probably have started 6 months ago. At the moment, our activities are on the level of staff consciousness-raising. People have been asking what we were going to do. We're going to try to come up with a coherent policy."

Involved in study are Broadcast, Common Carrier & Cable Bureaus, OPP and Office of Science & Technology. OST plans technical seminar on broadcast satellites. No formal task force has yet been established; OPP is collecting papers from "variety of people looking at the problem."

Some 500 are expected at Houston Galleria Plaza Hotel Jan. 13-16 for INTV convention. Major panels are scheduled on STV, changing technology, programming, advertising, marketing, research & regulation. Luncheon speakers are Sen. Goldwater (R-Ariz.) and FCC Comr. Jones. Top business item for board will be finalization of plans to move INTV hq from N. Y. to Washington; Pres. Herman Land is expected to make move.

Copyright Royalty Tribunal decision against NAB (Vol. 19:51 p1) will be challenged in D. C. Appeals Court by NAB, although NAB officials have doubts whether Court will accept it. Tribunal has stated decision can't be appealed. NAB will seek stay of royalty distribution pending judicial review.

WLEN(FM) Adrian, Mich. must pay \$400 fine for violation of FCC rule requiring licensees to make annual equipment performance measurements. WLEN didn't do so for 18 months, refused to pay fine on grounds violation wasn't repeated. U.S. Dist. Judge Charles Joiner ruled in FCC's favor, said each day tests weren't made after deadline constituted new violation.

Oklahoma TV-radio stations are liable for 4% sales tax, according to ruling by Atty. Gen. Jan Cartwright. Order applies only to local sales, but could mean millions of dollars in back taxes. Print media are exempt from law, and Sen. Majority Leader Finis Smith (D) said state legislature would consider bill also exempting broadcasting.

MORE TIME ON DEREGULATION: Citing release of additional information and corrections of other documents, FCC last week extended deadline for comments in radio deregulation rulemaking from Jan. 25 to March 25; replies now are due June 25. Extension until Sept. 26 had been sought by several minority groups (including NAACP)—all of whom oppose relaxation of rules. Commission said new information, made available Jan. 7, covers stations in Mich. & Ohio and corrects data on Ala. & Ga. stations.

Also last week, FCC released "hundreds of documents" relating to deregulation in response to FOI requests by United Church of Christ (UCC) and Media Access Project. Agency said that "thousands of dollars of search fees and costs of copying documents have been waived." Move won't negate FOI suit in N.Y. court filed by UCC. Court made tentatively ruling against FCC (Vol. 20:1 p5), but UCC removed request for expedited consideration and Commission now has until Jan. 28 to respond.

Speaking to state & local officials Jan. 11, President Carter stressed "pressing need" to abolish unwarranted govt. regulations, although he didn't specifically mention FCC or broadcasting. He said regulations that are left on books "can be simplified and administered well."

Meanwhile, church & minority groups' opposition to major radio deregulation intensified. U.S. Catholic Conference distributed packet of materials "sharply critical" of FCC proposal, urged public to express opposition directly to Commission. Among criticisms: "Simply a forerunner to deregulation of TV"; "much religious programming will be discontinued"; "charities... could be denied access to radio"; "eliminates any requirement for programming for the poor, the elderly & minorities"; "no limit on the number of commercials"; "no requirement to broadcast news."

NAB called in dozen reps of minority groups—all of which oppose deregulation—in attempt to explain industry position, answer questions. "It was interesting... but I'm not sure about the NAB's purpose," participant told us. "At end, there was sharp division of positions."

Minority representatives made clear last week that they don't like NTIA proposal that multiple-ownership restrictions be waived for applicants with 25% minority ownership (Vol. 19:43 p5). It should be 51%, they told NTIA officials in Jan. 8 meeting which also included several group owners. NTIA Dir. Henry Geller said that FCC filing will be amended, that last week's meeting was "very fruitful" and that minorities should have been consulted before petition was filed. Emphasis of discussion was on major markets, tax breaks, financing.

Burke International Research has given up attempt to secure financial backing for new radio ratings service to compete with Arbitron. "It is just not feasible for 2 major services to survive financially," said Roger Schorr, Burke group vp.

COMMERCE DEPT. FORECASTS 1980: Annual forecast by Commerce Dept. sees both TV revenues and pre-tax earnings this year rising 15%, radio 9%. Cable subscribers are expected to increase 1.4 million in 1980 while revenues are seen rising 16%.

Pay-cable subscribers are expected to increase 1.8 million, bringing total to 6.5 million and providing revenue of \$550 million. In 1984, TV revenues should reach \$15 billion by a compound annual rate of 13.5%, radio to \$4.5 billion with 10% compound annual rate, according to estimate. Cable subscribers are estimated reaching 23 million in 1984, compound growth 10%. Cable subscriber revenues are forecast at about \$3 billion for 1984. Estimates for that year find pay-cable subscribers at 14.5 million—at compound yearly rate of 25.3%—with revenues climbing to \$1.6 billion at annual rate of 32.4%. Estimates are prepared by E. MacDonald Nyhen of Science & Electronics Div.

Staffs of Senate Communications Subcommittee majority & minority members are getting deeper into work of producing single communications bill. Staffs have met 3-4 times in response to call from Commerce Chmn. Cannon (D-Nev.) to produce bill (Vol. 19:50 p2). Included in discussions have been representatives of Cannon & ranking Commerce Republican Packwood (Ore.), further indication that Senate means business. "It's very serious," staffer said, "Cannon & Packwood said they want a Committee bill." So far, meetings have focused on common carrier, question of what broadcast provisions—if any—will be included is still up in air. Meanwhile, some 40 TV broadcasters have written Sen. Goldwater (R-Ariz.), concerning rewritten Goldwater-Schmitt bill, almost all favoring bill but taking NAB stand of opposing provision that prohibits FCC from restricting cable signal carriage.

Cable TV will reach 40-50% of U.S. homes by 1990, pay TV about 20-25%, CBS Network Pres. James Rosenfield told group of TV writers in L.A. last week. "Networking will still be pretty much in place by 1990, however," he added, "because large networks can more easily amortize losses than small cable systems." He predicted that networks and cable would be vying for rights to big events such as Super Bowl by end of decade. Rosenfield said networks will spend about \$100 million on program development this year. He also noted that other networks challenged CBS for affiliates in 21 TV markets last year but CBS lost only Meridian, Miss. (to ABC).

NTIA doesn't have authority to reimburse parties who participate in proceedings before NTIA, NAB told agency last week, because it's against law to use "arbitrary discretion" in spending public funds. FCC also has rulemaking pending to reimburse public participants in rulemakings & inquiries (Vol. 19:52 p5).

AFTRA won't strike networks without 5 days notice, union officials said last week as negotiations continued in L.A. between union & networks. No deadlines have been set.

PERTSCHUK QUILTS KID AD CASE: Only days after winning right to return to FTC children's ad rule-making inquiry from D.C. Appeals Court (Vol. 20:1 p1), FTC Chmn. Michael Pertschuk voluntarily withdrew from case. Move, which Pertschuk called "a painful decision, perhaps the most difficult I will make as a member of the FTC," initially pleased both critics and supporters and may take some of heat off kid ad inquiry in Congress.

"My own prior statements, however appropriate the court has judged them, have given those urging Congress to terminate the rulemaking a diversionary issue. I am concerned that continuing controversy regarding my participation could become a focus for the debate, instead of the far more important issue—whether the proceeding itself should be allowed to continue," Pertschuk said. But others saw move as way of avoiding appeal to Supreme Court.

"He picked precisely the right moment in the legal context to opt out," said Robert Purcell of AAA (one of plaintiffs in Pertschuk bias suit). "Although his withdrawal makes the suit a moot point, it's still a fair bet we will pursue this in some way."

ACT Pres. Peggy Charren supported decision, saying it cleared kid ad inquiry of charges of bias: "If Congress continues to try to kill the investigation, it is clear that it is responding to pressure from broadcasting and sugar interests."

Senate staffer speculated that Pertschuk may also have been responding to pressure from other regulatory agencies and White House not to fight case in Supreme Court, since conservative high court might overturn Appeals Court ruling which gives regulatory officials wide latitude in expression of personal opinions in rulemakings. But FCC Gen. Counsel Robert Bruce denied that FCC had made any such request to Pertschuk, and White House consumer affairs spokesman denied pressure on FTC.

University-of-the-air grant, proposed by former Ambassador to U. K. Walter Annenberg (Vol. 19:47 p1) is seen as likely candidate for IRS approval, according to public broadcasting officials. Annenberg School of U. of Pa., which technically would make \$150 million donation, found IRS highly receptive to proposal when it was first presented late last year. Tone of subsequent questions from IRS to CPB & Annenberg School has left those involved highly optimistic. CPB, meanwhile, has gone to Comsat with idea, among other things, of using direct-to-home satellite for university-of-the-air. Letter from CPB Pres. Fleming to heads of NPR & PBS shows CPB believes FCC will look more kindly upon Comsat application if pro bono uses, such as PTV, are included.

Supreme Court refused to review D.C. Appeals Court decision clearing CBS of charges network violated fairness doctrine—on side of "doves"—in coverage of Vietnam war. FCC has dismissed complaint filed by American Security Council Education Foundation.

CHINA TV SAT: Details of China's plan to expand TV service using "tens of thousands" of "receive and relay" stations were described on Radio Peking broadcast Dec. 22 by Xu Zhongming, deputy dir., Institute of Best. Science of Central Bestg. Administration. Highlights:

- (1) Earth stations will be used serving translators. Said Xu: "It's impractical to develop individual reception right from the beginning."
- (2) Cost of project is estimated at \$25-\$30,000 per site, using 50-watt small transmitters and a 50-meter-high antenna covering 8 km radius.
- (3) Schedule for project is 3-4 years. "Everyone is concerned about when TV reception via satellite is possible. Before the launching of the satellite, it is necessary to complete the construction of the first group of receiving & relaying stations, the station for feeding programs to the satellite and the station for satellite control."

Southern Satellite has ordered 100 vertical interval decoder units from Scientific-Atlanta for use in Cabletext video data system. SSS halted experiment last fall due to equipment problems with original contractor Micro-TV, Philadelphia. SSS ended up designing and buying own computer headend equipment, and with delivery of decoders (about \$1,000 each) SSS will begin Cabletext testing in 60 days. In first phase of Cabletext, Reuters and UPI alphanumeric news wires will be distributed to cable systems on Satcom I TR-6 in late spring.

Instant replay views from 2 cameras enabled NBC announcers to show error of game officials in controversial non-touchdown pass play in AFC championship game between Houston and Pittsburgh Jan. 6. NFL still opposes use of instant replay to change calls of officials, says it's too expensive, although one team official has proposed League provide cameras for instant replays to be used only in difficult calls in important plays.

Happy with results of Sept. 1979 convention in Las Vegas, RTNDA has voted to return there Sept. 30-Oct. 2, 1982. There had been much grumbling over pick of Las Vegas for last year's convention until results came in—record attendance and standing-room only sessions. This year's convention is Dec. 3-5, Diplomat Hotel, Hollywood, Fla; in 1981, Sept. 10-12, Marriott Hotel, New Orleans.

Tentative witness list for Jan. 29 House Communications Subcommittee hearing on bill proposed by Rep. Mottl (D-O.) to require financial disclosure of TV & radio stations: Thomas Bolger, NAB; Harriett Kaplan, NRBA; Wade Hargrove, N.C. Assn. of Bcstrs.; Wilhelmina Reuben-Cook, Citizen's Communications Center; Richard Shiben, FCC; Henry Eschwege, GAO.

FCC approved sale of 80% of WNJU-TV Newark by Screen Gems to Oak Bcstg. (Jerry Perenchio) for \$5 million. As part of deal, Screen Gems acquires 20% of National Subscription TV-N.Y., STV franchisee on WNJU-TV. Station reported profit of \$1.5 million in 1979, up from \$1.2 million preceding year.

Personals

William Lilley, govt. relations vp for American Express in Washington, is expected to be named CBS Washington vp, probably this week. Job has been vacant since Sept. when **William Small** was named NBC News pres. (Vol. 19:36 p4). Lilley, in his early 40's, has been at American Express little over year. Formerly, he was minority counsel for House Budget Committee, worked at HUD and for National Journal.

Sen. Robert Packwood (R-Ore.), FTC Chmn. **Michael Pertschuk** & ex-FCC Chmn. **Richard Wiley** among speakers at Feb. 7 Advertising Law Conference, Washington Hyatt Regency, sponsored by AAF & Federal Bar Assn.

L. D. Bolton, WBRC-TV Birmingham vp-gen. mgr., moves to similar post at WKRC-TV Cincinnati, succeeding **Robert Wiegand**, resigned; WBRC-TV Gen. Sales Mgr. **Richard Stephen** succeeds Bolton... **Ann Hageman**, ex-National Council Assoc. (political consultant), appointed asst. dir.-govt. relations, ABC Washington... **Paul Rhoades** promoted to vp-news & public affairs, KCCI-TV Des Moines... **Deborah Sinay** promoted to national sales mgr., WCVB-TV Boston... **Ron Jones** advanced to gen. sales mgr., WRAL-TV Raleigh, succeeding **W. H. (Bud) Coggins**, named asst. gen. mgr.

George Watson, ABC News Washington bureau chief, appointed vp-managing editor, Cable News Network, effective Feb. 25... **Ellen Ehrlich**, ex-CBS News, moves to NBC News as liaison for press, promotion & advertising; **Ron Najman**, ex-ABC News, named dir. of NBC News information... **Jonathan Miller**, managing editor of Satellite Week, also named assoc. editor of parent Television Digest Inc.

Art Gilliam, Gilliam Communications, appointed to NAB-sponsored Best. Rating Council board... **Thomas O'Brien**, Mutual news vp, elected to RTNDA board... **Howard Myrick** promoted to acting dir., CPB Office of Communication Research, succeeding **Leon Rosenbluth**, resigned.

Gary Worth, ex-Mutual exec. vp, named pres., Satellink of America, subsidiary of Robert Wold Co... **H. Keith Lucas** promoted to regional vp, Times Mirror Cable TV, Louisville hq... **Lyle Kneeskern** advanced to engineering vp, Continental Cablevision of Ohio, with responsibility for 35 systems and 9 under construction... **Robert Benton** joins Continental Telephone as vp-Telecommunications Services Group (including CATV & satellites).

Patrick Devlin named exec. vp, **James Kelly** senior vp-gen. sales mgr., Blair TV; **Paul Pearce** promoted to vp-mgr., Blair TV Detroit office, succeeding **Gabriel Dype**, now head of new Miami office... **Nancy Williams** advanced to dir.-personnel, Katz Agency, succeeding Vp-Personnel **Dorothy Wheeler**, retired.

Michael Forys joins Oak Industries as vp-human resources, new post; **John Ryan**, ex-Altec, appointed asst. secy.-senior attorney; **Greta Botka** joins Oak as corporate attorney... **John Paulbick**,

ex-Central Telephone of Nev., appointed application engineer, Valtec... **Ernest Massel** appointed southwestern sales mgr., Comm/Scope.

Henry Kaplan, ex-CBS corporate planning vp, promoted to vp, marketing, CBS Toys... **Thomas Leahy** elected pres., International Council, NATAS... CBS commentators **Pat Summerall**, **Tom Brookshier** & **Brent Musburger** speak at Hollywood Radio & TV Society luncheon Jan. 20... **Don Ohlmeyer**, exec. producer, NBC sports, speaks to ATAS luncheon in L.A. Jan. 22.

Avery Gibson named dir., Radio Development, Arbitron... **Susan Egan** promoted to administrative asst. to pres., Blair TV... **Mike D'Amore** named midwest sales mgr., Ampex Audio-Visual Systems Div... **Russell McKennan** promoted to quantitative research dir., NAB.

Obituary

Walter Kaitz, 64, for 20 years gen. counsel & exec. secy., Cal. Community TV Assn., died at home Dec. 29 of heart disease. Native of Boston, he attended Harvard U., served in artillery in Europe during World War II, obtained law degree from U. of Cal., Berkeley, in 1952. Family & friends are setting up Walter Kaitz Foundation to "encourage participation by the public in the legislative process in Cal., responsiveness to the public by the legislature, and legislative effectiveness in meeting the needs of the public." Survivors include wife, son Spencer (his asst. at CCTA), 3 daughters.

Westar III transmission of programs from Video Communications, Tulsa, began Jan. 1, expands to 12 hours daily June 1, could go 24 hours by year's end, says Pres. Bill Blair. Customers for movies, sports, news, old TV shows include hospitals, prisons, colleges, hotels, possibly U.S. companies with overseas operations if they are within reach of satellite. VC now supplies videocassettes to Conoco, Shell Oil, Bethlehem Steel & others as part of offshore service. Plans for satellite distribution of music programs (Vol. 19:48 p11) have been tabled until copyright issues are settled.

Sony introduces CCD-controlled auto-focus zoom lens, made by Canon at National Audio Visual Assn. show in Atlanta Jan. 12-14. Lens fits professional portable video camera, has range of 1.2 meters to infinity, f 1.4 shutter speed, 6-1 zoom ratio. It should be available in 90 days. Sony is also displaying BM-2100 telecine projector for 8-mm film-to-tape conversion. It fits DX 1610 camera, will cost \$6,000-\$7,000.

Syndicated Communications, major financier for minority station & cable purchases, said Aetna & Travelers each added \$250,000 to Syncom's investment capital, pledged like amount in March. Syncom has helped finance 11 purchases, expects one-a-month this year.

Wometco is negotiating to acquire WSNL-TV Smithtown, N.Y. (Long Island), which holds STV authorization, price undisclosed.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

EIA's final figures on 1979 consumer electronics sales to dealers are scheduled for official release next week. For preview, see below.

1979 SALES—9,846,487 COLOR, 475,396 VCR: Last year was color's 2nd best in sales to dealers, and EIA figures next week are expected to show sales of 9,846,487, down just 3.8% from the 10,236,319 of record 1978. Monochrome TV enjoyed best sales year since 1973, total of 6,254,601 up 3.4% from 1978. Home VCR set new record of 475,396, up 18.3% from 401,930 sold in 1978. Dec. TV sales were down 7.4% for color, 17.9% for b&w, from year earlier, while VCR sales rose 18.3% for month. Sales in year's final week were down sharply for all products—19.8% for color, 26.6% for b&w, 20.5% for VCR.

MEANING OF RCA-CBS VIDEODISC PACT: CBS's decision to make & market videodiscs for RCA Selectavision system could have explosive impact on both manufacturers & programmers—perhaps even bandwagon effect which could lead most of U. S. industry toward capacitance disc standard.

Announced jointly by CBS Pres. John Backe & RCA Chmn. Edgar Griffiths, agreement licenses CBS to manufacture & distribute videodiscs using RCA system worldwide, provides for knowhow & technical assistance. In formal statement, Backe said CBS was "committed to full participation" in all new audio-visual technologies, called Selectavision "the first mass-market videodisc system to be introduced coupling reasonable price and high quality performance." Statement said developmental work on disc manufacturing already is being carried out by CBS Technology Center & CBS Records. Technology Center is headed by Donald McCoy, one of developers of RCA system at RCA Labs and at RCA Consumer Electronics, where he was Selectavision staff vp.

Beyond formal statement, it's known CBS intends to get disc operation going as soon as possible—"hopefully within 2 years," according to official. Discs will be pressed in "one or more plants"—likely candidate being world's biggest disc plant under construction at Carrollton, Ga. CBS plans to produce software under own label—"the usual mix of music & entertainment, including motion pictures." Although it will give priority to own programs, it is likely to do custom pressing for other labels ("we're in the custom-pressing business").

Deal undeniably will influence hardware as well as other makers. Fact that RCA & CBS buried their traditional enmity to reach agreement won't be lost on RCA's archrival Zenith. License includes CBS's worldwide affiliates, one of which is CBS/Sony, Japan's biggest record company (50-50 ownership). Sony isn't yet committed on home videodisc format, and CBS/Sony spokesman had terse "no comment" when asked about significance of deal. CBS official indicated Japanese affiliate hadn't yet taken stand. Coming availability of software from 2 sources certainly is expected to influence TV manufacturers in system choice.

Most TV set makers withheld comment. GTE Consumer Electronics Pres. Thomas Shepherd said CBS move could "accelerate growth" of videodisc business. "Any system must have powerful software support, and RCA has demonstrated its ability to attract some," but this isn't "final influence" in Sylvania's ultimate choice.

Some software producers were elated. Informed of move, Warner Exec. Vp Harvey Schein responded: "Great! And we fully intend to do the same. We want to be in the software business and we will follow the technology as it develops." WCI Home Video Pres. Morton Fink said Warner officials will meet with RCA licensing officials this week. WCI has been unhappy

about RCA's unwillingness to custom-press discs under its label until own product demand is filled, and there were indications that price of Warner's entry into pressing might be interim custom pressing by RCA.

"It's the greatest development since RCA's announcement" to go ahead with videodisc, said Andre Blay, pres. of 20th Century-Fox subsidiary Magnetic Video. "It relieves our problem of where to go; CBS could be the home for our product" with its custom-pressing capacity. Columbia Pictures' Senior Vp Lawrence Hilford, however, said announcement was "not particularly meaningful to us," since it would be more than 2 years before significant amount of hardware or software would be available.

In Japan, Matsushita is on brink of choosing between its own 2 systems. RCA-CBS move is expected to accelerate its plans to get one or the other into production, woo prospective licensees & customers. Some of RCA's Japanese licensees—particularly Toshiba—may now decide it's time to go ahead and produce Selectavision players, at least for U. S. market.

Agreement can't have been great news for optical videodisc camp, although they put best possible face on it. "This is very bullish for the videodisc industry," MCA Pres. Sidney Sheinberg told us. "MCA stock closed at an all-time high today. CBS has gone to great pains to tell us they want to be in all phases of video. In terms of music, the 2 systems aren't comparable." CBS spokesman said production of optical discs wasn't ruled out, that it would continue to monitor all technologies.

Licensing details aren't known. One source said RCA had been asking "ridiculous" royalty of 8¢ a disc. However, it's believed deal with CBS involves minimal license fee.

Deal virtually eclipsed introduction of Pioneer's pre-production consumer optical videodisc player at CES. Compatible with Magnavox unit, player has different configuration, features calculator-type touch panel for program segment location, optional wireless remote control of all functions. Spokesman said unit would be priced under \$1,000 including remote, leading to speculation that non-remote unit may not sell for much more than RCA's capacitance player. Magnavox plans to introduce U. S.-made Mark II player about same time as RCA unit goes to market, and that, too, could be priced competitively. Pioneer says it will disclose markets, price and other plans at N. Y. press conference in March.

How many videodisc systems can coexist? "Compatibility is a jocular issue," said RCA Consumer Electronics Vp-Gen. Mgr. Jack Sauter at CES Video Seminar. In later interview, he told us he believes that disc's software-dependency means "that only one format will be able to survive in the market." He said there may be multiple systems, but how long they'll continue after one gains supremacy will depend on "how much money companies are willing to spend just to keep them alive."

CES SEES BIG VCR PRICE BREAK: VCR prices started to crack at Consumer Electronics Show in Las Vegas last week to the distress of most hardware manufacturers and the delight of software companies.

Biggest hole in price dike—but certainly not only one—was Sanyo's decision to continue sale of its low-end 3-hour Beta VCR at suggested list cut from \$895 to \$695. Complained U. S. manufacturer: "That's a street price of \$595. The value of my inventories just collapsed. Here comes a giant dump."

But visions of post-Christmas sugarplums danced in the heads of videocassette software producers, who last fall started drive for "that \$500 VCR" (Vol. 19:44 p7). They saw move paving way for big circulation base for their programs. CES itself had air of show biz as software exhibits were crowded and such newcomers as Paramount & Warner joined video programming veterans in doing big business (see p. 9). Personal computer exhibits, too, were mobbed, and TV sales seemed to be holding up, particularly in promotional area. Most audio exhibits were disaster areas. Despite announced registration of 58,626 (vs. 53,498 last year), halls seemed more sparsely populated and pervasive air of economic uncertainty hovered over

Convention Center.

This was widely evident in concern over VCR. There was agreement that video specialty stores are doing bang-up job, but growing realization that traditional dealers were shying away from the product—and both manufacturers & dealers in seminar speeches and corridor conversations agreed this largely was due to price instability, semi-annual model changes and lack of really good promotion.

Sanyo made its move in order to bring VCR down "to new [lower-income] population levels," according to one official. Sanyo wasn't only one. Panasonic cut dealer prices \$40 across board on new 6-hour machines from level of old 4-hour ones without changing suggested list prices "to improve dealer margins." Despite protestations to contrary, it was clear that waiting in wings was Sharp's stripped-down machine, which sells for \$600 in Japan. Another company talked of "new generation" of extremely compact machines to come later this year, accompanied by lower pricetags at low end. It's known that Matsushita is preparing stripped-down model, too.

Industry still is going through dump of older models, and much of effect is yet to show up at retail marketplace. Most manufacturers are currently completing liquidation of older models at sharply cut prices. Sony has just closed out its stock of 3-hour units (SL-8600) at \$125 reduction in dealer price.

Demonstrations of Toshiba's LVR didn't help stability, either. Company said it will take orders at June CES for fall delivery. Spokesman put price of non-standard recorder at \$400-\$500, deluxe remote-controlled programmable at \$500-\$600, made bid for pre-recorded cassettes by announcing play-only version at around \$300.

More low-priced VCRs could come from Korea & Taiwan, but this is uncertain, and depends largely on willingness of Japanese to sell parts, not yet evident. Korea's Gold Star displayed VHS deck at CES, but conceded ability to produce hinged on parts from Japan.

Aggravating VCR price situation is inventory accumulation as shipments from Japan mount. Nov. imports (including institutional recorders) soared 137.9% from year earlier to record 92,700, bringing 11-month total to 552,200—vs. full-year 1979 sales to dealers of 475,000 (details on p. 10).

"Growing lack of interest" by independent retailers was detailed by RCA Consumer Electronics Vp-Gen. Mgr. Jack Sauter at CES video seminar, as result of pricing & product-feature uncertainties and growing oversupply. "Majority of the volume" in VCR now is represented by "those dealers who are basically brokers or use VCR as traffic-builders" and video specialists, he said. Sauter conceded RCA bore share of blame with other manufacturers & marketers, but pledged that it would do "more, not less, in 1980 to improve the VCR curve" and make products more attractive to traditional TV-radio dealer.

Price slippage was evident not only in VCRs themselves, but in tape cassettes, where shortages have suddenly given way to glut as more tape makers rev up to high production. Although suggested retail prices are unchanged, duplicators are finding themselves with embarrassment of riches in terms of special pricing & deals on large orders, despite unquestioned cost pressures in raw materials for both tape & cassette housings (p. 11).

Two new non-standard VCRs were conspicuous by their absence at CES. BASF officials steadfastly insisted they wouldn't show their LVR until it was actually for sale to avoid churning up market—and time estimates varied from 6 months to a year. Funai had suite at Las Vegas Hilton, but its 1/4"-tape portable wasn't to be seen. Company officials said there would be no demonstrations or comments until current verbal agreement with Technicolor is signed (Vol. 19:53 p7). In standard VCRs, most attention went to lightweight (12-lb.) portables by Quasar (Vol. 19:52 p9) & Panasonic, apparently identical, for April-May delivery.

Slippage in VCR prices could make tape formidable competitor to videodisc, already bringing VCRs below retail list of Magnavision—despite protestations by disc advocates that the 2 products are compatible, not competitive. In context of RCA-CBS videodisc pact (see p. 6), fascinating new battles are shaping up in video.

SOFTWARE AT CES: Winter CES took decided showbiz turn with displays of pre-recorded video-cassettes from about 30 program suppliers & distributors, half of them selling porn (see p. 11). X-rated titles had separate exhibit area, indicative of improved, if begrudged, status and drew appreciative audience interested in dealerships, buying cassettes—or just ogling.

However, crowds were thickest at Paramount & Warner Home Video, substantial at Columbia, Magnetic Video, Nostalgia Merchant, Media Home Entertainment. All held out promise of new titles to pump up demand, which remains stronger than anyone anticipated, including "10" from Warner, "Grease" from Paramount, "Taxi Driver" from Columbia, "Halloween" from Media Home. Expectation is for even bigger display at Summer CES in Chicago, possibly followed by creation of separate showcase aimed specifically at home video program market.

Major news at CES came from Magnetic Video, which reinstated old price schedule after other distributors failed to follow \$5-per-cassette reduction posted last Aug., and Walt Disney Productions.

Disney is expected to announce multi-city test of cassette rentals of 10 live-action features, to start in April. Catalog doesn't include animated or nature films, instead will list "Love Bug," "Absent-Minded Professor," "Old Yeller," "Kidnapped," "Escape to Witch Mountain," "Candlehoe," "Gus," "Bears & I," "Great Locomotive Chase," "Now You See 'Em, Now You Don't." Five are among 16 Disney movies licensed to RCA for Selectavision disc release. Some have appeared on pay TV, one ("Kidnapped") in MCA Discovision library. Disney's comment: "If everything falls into place, we're hopeful we can begin by the end of the first quarter." Noting lack of Disney classics, competitor says "they're not getting in very far."

Our sources think Disney will retain ownership, ask stores for hefty upfront fee in return for exclusive franchise, possibly recall cassettes after 1-2 years. Tight controls, however, wouldn't solve problem of cassette duplication by customers during rental, distribution for sale in other markets. Other cassette hopeful, MCA, expects to enter rental business in April. Non-theatrical Vp Gene Giaquinto has talked with Fotomat & Vidamerica, confirmed our report that first titles likely will coincide with those scheduled for disc release (Vol. 19:52 p11).

Magnetic Video's prices are back to \$34.95 for cartoons, \$54.95 for single-cassette bestsellers, \$74.95 for 2-tape movies; vintage titles remain at \$44.95. Change was necessary in light of entry of Paramount & Warner at \$10-\$15 higher, said MV Pres. Andre Blay. "If they wouldn't follow us down, we'll follow them up." Retailers, who have been complaining of lowered margins, will get benefit of rise. Secondary reason for increase is soaring license fees, at least twice what MV used to pay. The 20th Century-Fox subsidiary reportedly was only marginally profitable last year.

Blay expects to introduce 4-6 titles every 2 months during 1980, will have ABC Video Enterprises' 1976 Olympics cassette by end of Feb. at \$54.95,

possibly 1980 Winter Olympics when it's made available (Vol. 19:52 p8). ABC Video had large executive contingent at CES, is now offering ABC News show called "Animals, Animals, Animals" through Inovision. Inovision also carries CBS News' first home video entry—90-min. cassette entitled "John Paul II: The Pope's Election & Travels to Poland, Ireland & the U.S.," similar to ABC's "Pope in America." Program can be bought for \$54.95 or rented for about \$10 for 2 weeks.

* * * *

Roundup of new titles mentioned at CES included these:

Paramount—"Grease," "Heaven Can Wait," "Hustle," "Lipstick," "Foul Play," "Sidney Sheldon's Bloodline," "Catch-22," "Sunburn," "The Warriors," "Saturday Night Fever" (PG version). Paramount expects to introduce average of 2 titles a month during 1980, thinks it can sell 200,000-300,000 this year, vs. 100,000 shipped month before Christmas. Bestsellers to date are R-rated "Saturday Night Fever," "Godfather I & II," "Chinatown." Paramount may test some of 500 educational titles through N. Y. distributor in spring.

Warner—"All The President's Men," "Blazing Saddles," "Superman," "The Exorcist," "Deliverance," "Dirty Harry," "Enter The Dragon," "Mr. Roberts," "The In-Laws," among first 21. Next in line should be "10," reportedly already scheduled for pay-TV release next summer. Warner would like to have cassette version out in March.

Columbia—"Bell, Book & Candle," "Eyes of Laura Mars," "Midnight Express," "Emanuelle," possibly "Taxi Driver," "Hard Core." Bestsellers in current line, limited to 12-state test, include "The Deep," "Shamus," "Breakout," "Bye, Bye Birdie."

Magnetic Video—In addition to those mentioned last week (Vol. 20:1 p10), Viacom's dance cassette, "Watch Your Step," and commitment for 2nd Viacom instructional tape due in June.

Funny non-coincidence dept.: In press releases same day, (1) RIAA announced "extension of its gold & platinum awards programs to include video-cassettes & videodiscs," to be activated when numbers warrant. (2) ITA announced establishment of "Golden Videocassette" & "Golden Videodisc" awards, initially to be based on minimum sale of \$1 million at retail list value. Former RIAA Exec. Dir. Henry Brief now has same post at ITA. Brief said total pre-recorded videocassette sales exceeded million units in 1979.

Video program catalog by National Video Clearinghouse in Dec. may go into 2nd printing of 10,000 this spring. NVC says 1/3 of original 40,000 have been sold at \$19.95 each, hopes to have national retail chain, such as Sears take on distribution, in addition to May Co. & Broadway stores on West Coast. Formation of 30,000-title data base should be complete next month, with telephone hotline to begin operation by summer.

TV AT CES: Expected higher prices, smattering of new sets, lots of futurism. That was general TV story at Winter CES. Major exception to overall picture came in Sharp's announcement of 2% cut in two 13" & two 19" imported color models. These are expected to be gone from line this spring when company starts relying mainly on output of Memphis plant.

Industry is slated to have 2 new color console suppliers this year. Coming with promotional models that could be retailed, with 20% margins, at \$450 & \$490, is Bohsei. Company said consoles would be assembled in Mexico using chassis from Taiwan (by Admiral Overseas), RCA tubes, U.S.-made cabinets. One supplier is expected to be Wakefield Industries, which now owns Capehart, has been producing cabinets for audio OEMs. Other is Toshiba, which held private showing of 2 remote consoles it plans to produce in Lebanon, Tenn. to retail at \$1,000 & \$1,250. Unique hand-held controls resemble credit-card calculators, are designed to fit into niches on front of sets, doubling as on-set controls. Sets themselves have no tuning or volume controls.

For distant tomorrow, there were 4-channel & 9-channel single-screen-display color models from Toshiba & Sharp, respectively, voice-activated TV from Toshiba & Panasonic, and Panasonic showed 19" color with built-in talking clock. Sanyo featured voice-activated calculator that uses color TV display.

Hitachi put through expected increases, line now starting with 5" AC-DC at \$430; 9" AC-DC is \$430 (up \$30 from June); 12" open list is about \$340 (down \$10), 13" remote unchanged at \$500; 15" remote \$570 (up \$10); 19" leader open (about \$430, unchanged); new step will be \$460, with carryover unchanged at \$480. First 19" with electronic tuning is \$540 (up \$10), with remotes at \$600 (unchanged), \$650 (up \$10), \$700 (unchanged). Hitachi added three 4.5" AC-DC b&ws with on-screen bar electronic tuning at \$170, \$220 with clock, \$330 with FM-AM-cassette, raised lists \$5 on 9" & 12".

Sanyo prices were boosted selectively. Basic 13" at \$300 & \$360, electronic ladder-tuned remote at \$430 are unchanged; remote with one-knob tuner is up \$20 to \$420. Leader 15" is up \$10 to \$380, remote unchanged at \$460. In 19" with mechanical tuning, leader is \$350 (up \$10), with steps at \$380 & \$400 (both up \$20), high ends unchanged at \$420 & \$440. Electronic-tuned 19" are \$470, \$490, with remotes at \$540 & \$600, all unchanged. In b&w, 4" with stereo cassette-FM-AM is \$350 (down \$50), 16" up \$5 to \$140, all others unchanged.

Panasonic hiked suggested retails \$20-\$40 on mechanically tuned consoles, now starting at open (about \$650), with steps at \$690, \$700, \$720 & \$730. Step-ups with VIR are \$720 (up \$30), \$750 (up \$20) & \$790 (up \$40). Remotes are \$800, \$820 & \$830 (all up \$30), \$850 (up \$20). Holdover portable-tables are all unchanged, with new 12" at \$450, 13" at \$420, both with electronic tuning. New 1.5" b&w with FM-AM is \$300, new 5" are \$155, FM-AM at \$180, both up \$5 from models they replace; 12" is \$115 (up \$5); holdover 19" is up \$5 to \$170.

Tatung's first U.S.-made 25" consoles, both with

remote, are \$1,000 & \$1,099. Leader 19" is up \$10 to \$500, step at \$530, remote at \$620 are both up \$20. New 15" leader is \$460, with remote up \$10 to \$540. In 13", leader is \$370, with step at \$400 (both up \$10), electronic tuning starts at \$430 (up \$20) with remote at \$530 (up \$30); new AC-DC 9" is \$370. All color models have enhanced stereo sound adaptor option. In b&w, new 5" FM-AM-cassette is \$250; new 9" is \$117; 12" continues at \$100 (up \$7), with new AC-DC step at \$159; 19" is \$190 (up \$14).

B&w mini-combos continued attracting adherents, despite widespread uncertainty over true market size. Quasar showed prototype of \$199 that looks like small FM-AM radio and has 4" tube that swings out of side, plus 5" FM-AM-clock due in June at about \$240. Soundesign added vertical 5" FM-AM at \$250, and at show Bohsei said it had just booked virtually all production of Taiwan's Liberty Electronics, producer of 5" color & b&w combos.

VIDEO, B&W IMPORTS UP: Color video and b&w TV imports hit all-time monthly highs in Nov., while total color TV imports declined, despite 2nd-highest monthly total ever for incomplete sets, Commerce figures show.

In video, incoming Nov. shipments of VCRs (including both home & commercial models) jumped 137.9% to 92,700, easily topping 75,600 record set in Oct., bringing 11-month total to 552,200, up 21.5%. [Note: Last week we incorrectly indicated Japanese VCR exports-to-U.S. as imports. Report should have said Japan's Nov. exports were up 30.9% to 76,900, with 11-month total up 22.2% to 60,800.] Nov. color camera imports climbed 55.5% to 18,500, breaking 17,300 record set in Oct. 1978. Full-period color camera total of 83,500 was up 83.4%. B&w cameras suffered 9th consecutive monthly decline, slipping 39.2% to 4,100, for cumulative total of 62,200, down 36.9%.

Total TV imports of just over 1 million were 2nd highest of year, though down 2.2% from same 1978 month, and 11-month total of 9.12 million was down 9.4%. B&w made something of comeback in Nov., with shipments up 18.4% to 643,000, erasing 640,600 record of Oct. 1978, but at 5.45 million was down 1.5% for full period.

Total color imports for month were 2nd highest of year at 360,200, down 25.4%, with complete set imports down 56.6% to 109,700, incompletes up 8.8% to 250,500, total 2nd only to 350,200 imported in Sept. For full 11 months, total color imports were down 19% to 3.67 million, with completes off 48.8% to 1.29 million, incompletes up 18.8% to 2.37 million.

ABC Video Enterprises and National Education Assn. announced joint project to produce programs for classroom work in elementary school, produced on cassette or disc and based on ABC news, sports & children's shows.

Sharp launches b&w manufacturing venture in Malaysia with Singapore's Roxy as local partner. Expected to start this fall, plant will turn out 20,000 sets monthly for export to U.S. & Europe.

DISCS SELL VCRs: Front-line report from first videodisc battleground—Atlanta—came at CES Retail Seminar from Jack Rigby, pres. of Allen & Bean Magnavox, who revealed that Magnavision videodisc premiere was major spur to VCR sales. Starting with 3-month backorder position on players and 10,000-unit backorder on discs, he said, color & audio sales suffered from concentration on video—"but not VCR." He added: "We actually became salesmen on this product, I guess for the first time." Disc player supply met demand in Aug.—and then "VCR sales went through the roof," 1979 sales more than tripling 1978 figure.

Of disc player buyers, Rigby said more than 75% already owned VCR. He said his stores sold "well over 1,000" players. Initially, player buyers bought average of 25 discs at time of purchase, but number has settled down to about 10. He said disc price increase came as "complete shock" to retailers & consumers, forecast reductions. He foresaw good future for videodisc, but said competition was needed to spur promotion, urged increased emphasis on stereo sound which "distinguishes it from VCR."

Arthur D. Little's David Fishman forecast videodisc player sales would pass VCR in 1983-4, predicted "ultimate penetration" of videoplayers at more than 50% of all U.S. households in mid-1990s, with annual sales of 4-4.5 million. He projected 1980 VCR sales at 575,000-700,000; 1981, 700,000-800,000; 1982, 800,000-900,000; 1983, 800,000-1 million. Videodisc player sales: 1979, 10,000-25,000; 1980, 20,000-40,000; 1981, 30,000-50,000; 1982, 30,000-60,000; 1983, 150,000-300,000; 1984, 500,000-750,000; 1985, 800,000-1 million.

There were few new VCRs introduced at CES. Panasonic showed its complete new line of 3-speed units, including lightweight portable matching Quasar's (Vol. 19:52 p9), still unpriced. Its other new models, similar to Matsushita-made units already introduced: Basic model at \$1,095, programmable \$1,295, remote-control special effects programmable \$1,395.

Hitachi showed its lightweight portable, priced about same as RCA's similar unit at \$1,200, with tuner-timer at \$350 (vs. RCA's \$329). Hitachi offers accessory RCA doesn't—plug-in full remote-control unit at \$100. Combination package of portable, tuner-timer & remote is \$1,450.

Sony displayed, but didn't feature, special-effects generator for titling, superimposing pictures, etc. (requiring either 2 cameras or 2 VCRs) to be offered at \$150.

* * * *

Videocassette glut, expected to hit later this year (Vol. 19:43 p11), seemingly has already arrived. All major tape exhibitors complained bitterly over intense competition keeping them from initiating needed price increases, and big concern is avoiding further erosion. Duplicators are now getting quantity delivery of Betas at \$9.05, pay \$1 more for VHS, and say they're being promised lower prices by suppliers in Taiwan. While brandname market is starting to develop at retail level, hardware brands still account for more than

50%, and their "giveaway" pricing isn't helping situation. Also causing some market confusion are high-performance videocassettes, generally priced 8-10% higher than standards. At audio conference, which quickly shifted emphasis to video when Q-&-A session started, Maxell's Gene LaBrie said he expected tape market to start straightening out when hardware producers began de-emphasizing sales in that area. Sanyo announced that it's now delivering L-830 cassette, which brings recording time of longest-playing Beta VCRs to 5 hours. They're made by Sony for Sanyo.

PORN'S NEW LOOK: Distributors of X-rated cassettes dressed up themselves, booths & product packaging—and had own section of exhibit hall—at CES. Shabby look of previous showings was replaced by gloss such as Rolls Royce motif on packages of Cal Vista Video. Also noticeable was differentiation between porn & straight titles. Company called Video King had 2 exhibits, one for family fare, 2nd to promote new X-rated vehicle starring Marilyn Chambers. Cassette version will be introduced just before theatrical release in March, already has built 12,000-unit backorder, according to company.

X-rated videocassettes generally were thought to have 50-70% of pre-recorded market in 1979, but estimate was contradicted by Adult Film Assn. of America head David Friedman at CES. Friedman, also pres. of TVX, leading porn producer & distributor, put sales at \$8 million in 1979, \$12-\$14 million this year, only 10-15% of level predicted for legitimate titles and well below what other industry sources expect of X-rated movies (Vol. 20:1 p8). Rampant piracy of adult films may account for part of discrepancy.

Friedman told us recent court decision which overturned Texas judge's ruling now gives "obscene material" same copyright protection as other programs, should reduce bootlegging. Two biggest porn distributors, he says, are TVX, at \$2.6 million, and VCX, at \$3.4 million. Retailers are attracted by 100% markup on \$40-\$45 distributor price vs. 30-40% for "legitimate" titles. About \$2-\$3 million of estimated 1980 porn cassette sales will be made in theater lobbies, rest in conventional retail outlets.

Get moving on stereo sound for TV, EIA Consumer Electronics Board told its engineering dept., expressing dissatisfaction with pace of industrywide committee's deliberations on standards. In other actions at Las Vegas meeting, group: (1) Formalized establishment of Video Systems Subdivision, covering VCR, videodisc systems, home computers, video games. (2) Named Sylvania's Patrick Wilson chmn. of Industry Development Committee, succeeding Robert Jones, formerly of Magnavox. (3) Selected committee of 4 board members plus Wilson to select mktg., ad & PR firm. (4) Approved proposals for new film on career opportunities in electronics and audio retail training seminars in 6 cities. (5) Authorized 6-city industry promotion campaign, expanded consumer electronics newspaper supplement and promotion drive on Spanish-language radio stations.

AUDIO DOLDRUMS AT CES: Holding CES in middle of Nev. desert was ironically fitting for audio exhibitors, whose displays, with few exceptions, resembled Death Valley, drawing mostly vultures looking for carcasses in form of distress-priced close-outs.

But bargain-hunters were generally disappointed. Most marketers had spent closing months of 1979 trimming inventories, and there was remarkably little new or innovative in hi-fi, mid-fi & autosound booths. Handful of prototype models on view showed more mid-fi companies plan to expand component offerings this year, and that digital tuning & electronic signal-strength displays will be showing up in lower-priced compact & component systems. Ennui extended to audio conference, where attendees were cautioned to expect tough times at least through first half.

Gloomy mood, caused by soft sales and continuous reports that many manufacturers are in shaky financial condition, wasn't helped by news that Pioneer America was dropping Centrex line, including successful compact business, to concentrate on selling car stereos & portable cassette combos under Pioneer brand (move doesn't affect hi-fi affiliate U.S. Pioneer). Also bailing out was Dyn Electronics, which acquired rights to Roberts brand several years ago. It sold to Nissei of Japan, which is forming new marketing subsidiary, Herald America. Car stereo marketer Comm Industries closed down at show, reportedly is selling out, and Ball Corp. agreed to sell Sound Guard accessory line to Audio Technica. These are just start of 1980 casualty list, according to former audio market exec., who now specializes in inventory disposal. "I expect you'll see a lot more blood-letting by the end of the first quarter."

Traditional console stereo business is dwindling rapidly, according to Soundesign. Console Div. Pres. Gad Sabbah estimates industry continues to move nearly million units annually, says Soundesign has picked up some furniture business as result of Interstate & Capehart leaving field last year, now has 25% market share. He estimates that disco models, with light displays, now account for some 40% of market. New Soundesign line has 5 disco models at \$250-\$500, plus light-including disco speakers at \$100 each, only 3 furniture consoles. "We're putting our emphasis where the growth is," he said.

Quasar previewed 3-model compact line, its first audio products, in Caesar's Palace suite. Units all have cassette, recessed top-mounted record changers covered by tempered-glass lid, run \$350-\$450. They feature Matsushita-made (in Japan) record-changers, as now do many compacts in line of sister company Panasonic.

Through its OEM sales operation, Panasonic plans to start offering changers to other phono makers later this year, joining rapidly-growing number of companies looking to grab piece of action from market-dominating BSR. Already in market are Avnet's Tenva and Thomson-CSF of France. Capetronics is telling potential customers it plans to make changers in new Chicago plant. V-M Pres.

Victor Miller talked to us of possible return to changer production, and under new Brazilian ownership, Garrard may be in position to revive OEM business.

PROJECTING PROJECTION: Projection TV's market, though small in units, actually is equal in dollars to all 13" color sets in sales and bigger than entire 12"-&-under market, Quasar Pres. Alex Stone told CES Video Seminar. He said that contrary to general belief, consumer, not business, is prime customer for projection—home market representing 85.2% of estimated 60,000 sold last year, with business at only 13.1%, combination home-business 1.7%. He pointed out that projection owners are prime consumers of TV-appliance products, therefore good customers to be cultivated. Some 63% own VCRs, 94% stereo, 51% TV games, 99% color TV, 55% three or more color sets, 68.1% microwave ovens. He forecast 70,000 sales this year.

Advent showed its one-piece unit, quoted Feb. deliveries at about \$4,000. Company has reinstituted production of 2-piece Model 710, put on new pricetag of \$2,495, presumably to compete directly with Kloss Video system at same price.

Projection Systems Inc. (PSI) showed theater-sized projector at \$7,000, capable of accommodating flat screen up to 11 x 14 ft., along with its 3-tube home rear-projection unit at \$3,100 (Vol. 19:48 p12), deliveries to start in March.

In hotel suite, inventor Arthur Tucker (ESP Inc.) displayed 3-lens liquid-coupled Aquastar, \$5,000 unit with extremely bright picture. He also demonstrated widescreen version (1.85-to-1 ratio), promised 2-1 ratio unit for up to 6 x 12-ft. picture and said he would supply special software for that ratio for clubs and other public locations. Flat screen was used.

Two new screens were demonstrated. Biggest screen maker, Schudel Inc., introduced new scrubable type claimed to be almost twice as bright as others. Transvision showed screen made of 3M-developed material providing 180° horizontal viewing angle. Screen is essentially flat on horizontal axis, curved only on vertical. It will be offered on all Transvision (single-tube) models.

Total U.S. market, at factory shipment level, for consumer electronics rose 2% last year to \$9.8 billion, will drop 9% this year to \$8.95 billion, according to Commerce's just-issued Industrial Outlook. Value of domestic output rose 6% last year to \$5.6 billion, will slip 9% this year to \$5.1 billion, agency says. It put value of 1979 imports at \$5 billion, down 0.8%, sees 10% drop to \$4.5 billion this year. Domestic industry's exports fell 1% last year to \$715 million, will drop 9% this year to \$650 million, Commerce said. While total domestic market grew average of 10.3% annually in 1973-78, forecast said, it sees rate slowing to 8% through 1984, when it should total \$14.5 billion, with imports increasing at average 11.2% rate, value of domestic output rising at 4.6% rate.

CES COMPUTERS & GAMES: Home computers have arrived, but has the market? Dealers packed CES booths of Atari, APF, Mattel & Texas Instruments seeking clues. Renewed interest in whole computer field was also evidenced by attendance pick-up at exhibits of small-business computer marketers such as Commodore, Apple, Compucolor and newcomer Hewlett-Packard which introduced \$3,250 unit complete with display & printer. Revival extended to hand-helds promoted by Panasonic, Quasar, Craig & Nixdorf, all with new programming modules and interfaces that let them tie into other information systems.

Bally is out at last, has agreed in principle to sale of video game-computer business to Fidelity Electronics, marketer of sophisticated dedicated games such as chess. Price of Mattel Intellivision went up again. Basic game remains at about \$275, but computer-conversion keyboard which was to carry same price has been redesigned, given increased performance capability, and will now sell for about \$500. Since Mattel first showed system at 1978 WCES, wholesale price of game has gone up 18% or \$30, keyboard 121% or \$200, game cartridges 46% or \$6, computer program cassettes 39% or \$7.

Programming is still seen as big stumbling block to consumer acceptance of computer. Many exhibitors had systems hooked up via phone to such computer service firms as Source & Micronet, which supply news, data, programming & time-sharing services for as little as \$2.75 an hour. APF, which has \$595 basic computer-game system, was showing variety of new accessories, including memory expander, printer & telephone modem, which would boost total package cost to more than \$2,000. Milton Bradley displayed 4 game cartridges, to retail about \$21 for TI home computer. Show-goers found these surprisingly unimaginative. Three—Hangman, Yahtzee & Connect 4—are versions of inexpensive board games, other is pinball. Control Data said it will create financial software for Atari. Maxell will sell magnetic disc memories. In related activity, professional firms, Pixel & Corvus, say they're working on ways to use home VCRs for memory storage, and BASF is said to be considering computer memory applications of longitudinal-scan VCR it's planning to make in Fountain Valley, Cal.

Programmable video games just won't go away. There was no shortage of dealers willing to spend hours checking out new Magnavox & Atari cartridges, and it appeared that game, rather than computer, application was major attraction of Mattel unit. There was little new in electronic toy field, with most companies holding back for N. Y. toy show next month. But Mattel did show first 2-player voice activated game to retail at about \$70. Unit comes with 3 drop-in game displays, pair of microphones, responds to 3 different vocal commands per game.

Possible practical application of home computer was shown by Sony with elaborate demonstration of ACCESS (Automatic Computer-Controlled Entertainment Selection System). Single master computer, hooked to rear-screen video projector, was used to call up variety of data, including TV & FM radio program logs, provide video display to accompany

music, control all types of consumer electronics, presumably could also be programmed to play games or solve problems. It was also first showing of Sony expertise in field. At conference session, APF Pres. Sy Lipper estimated 600,000 personal computers worth \$500 million would be sold this year, effectively doubling number of units in use.

Communications equipment took back seat at show. CB was such a totally dead issue there weren't even any complaints about depressed state of business. Little action was centered on telephones, with host of new dialers, answerers and cordless phones unveiled. There appeared to be almost no interest in basic instruments.

Time Life Video Club releases for Feb. include 4 films from distributor Nostalgia Merchant ("King Kong," 3 Astaire-Rogers musicals), "Bye Bye Birdie" from Columbia, "The Innocent," "Madame Rosa," "The Man Who Fell to Earth" and broadcast & pay-TV specials "The War Between the Tates" and "Hocus Pocus, It's Magic." Movie prices are \$27.50-\$39.95, 20-30% under usual retail levels. New titles added to Fotomat rental program in Feb. are Paramount's "Grease," "Foul Play," "King of the Gypsies" & "Oliver's Story" and Warner's "Superman," "In-Laws," & "Bugs Bunny Road Runner Movie." March schedule has Paramount's "Heaven Can Wait" & "Hurricane" and Warner's "Blazing Saddles," "Hooper," "Exorcist," "All the President's Men." Warner movies are the first to be secured by Fotomat, while "King of the Gypsies," "Oliver's Story" & "Hurricane" have yet to be placed in Paramount Home Video catalog. Fotomat plans "media blitz" in next few weeks, is considering own duplication plant although it's "almost out of the question for this year."

New electronic aids for handicapped: IBM plans talking typewriter this year. It has \$5,300 synthesizer attachment for \$4,900-\$7,490 magnetic-card typewriters. Device will enable blind typist to hear what's been typed, make corrections... **Research Triangle Institute** has MPU-controlled speech-pattern recognition device that identifies 9 different "look-alike" sounds which confuse lipreaders. LEDs attached to eyeglasses display sound codes. System is expected to cost about \$1,000, increases comprehension as much as 90%, is being backed by \$500,000 development grant from NASA & VA.

Buckbee-Mears settled \$20-million suit brought 3 years ago by Silas Brown, an engineering employee. Brown claimed B-M breached oral agreement made by now-deceased B-M executive, that he would be paid royalties for developing color tube aperture mask production process that company uses. Under alleged agreement, Brown would have received \$12-\$15 million. Settlement terms weren't disclosed.

Sony opened twin audio cassette plants in Nuevo Laredo, Mexico & Laredo, Tex. Cassettes are being assembled in Mexican facility, using tape from Japan, sent through Laredo to Dothan, Ala. plant for packaging... **Ampex** plans \$3-million expansion of **Aurex**, Mexican magnetic tape venture.

WEEKLY Television Digest

with
Consumer Electronics ...
(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1980 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & Cable Addenda*, *Cable Atlas*, biweekly *Public Broadcasting Report*, *Satellite Week* and other special publications

EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036
Phone: 202-872-9200

WASHINGTON HEADQUARTERS

Albert Warren ... Editor & Publisher
Dawson B. Nail ... Executive Editor
Paul L. Warren ... Associate Editor
Jonathan Miller ... Assistant Editor
Christopher Kelly ... Assistant Editor

Television Factbook

Mary Appel ... Editorial Director
Marilou B. Legge ... Managing Editor

Factbook Research Inc.

Sean P. Maloney ... General Manager
Business

Edward L. Sellers ... Sales Dir.
Roy W. Easley III ... Business Mgr.
Barbara J. Pratt ... Circulation & Sales Promotion Mgr.
Lisa Maurer ... Asst. Sales Dir.

NEW YORK BUREAU

510 Madison Ave., N.Y. 10022
Phone: 212-355-5611

David Lachenbruch ... Editorial Dir.
Robert E. Gerson ... Senior Editor
Seth Goldstein ... Associate Editor

JAPAN REPRESENTATIVE (Editorial & Business)

John H. Nakamura
13-3-1001 Roppongi 5-chome
Minato-ku, Tokyo 106, Japan
Phone: 03-583-7493

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Kansas State Network			
1979-qtr. to Nov. 30	5,841,000 ^a	633,000 ^a	.34
1978-qtr. to Nov. 30	5,137,000	617,000	.34
MGM			
1979-qtr. to Nov. 30	129,324,000	15,320,000	.47
1978-qtr. to Nov. 30	143,395,000	26,016,000	.80 ^b
A.C. Nielsen			
1979-qtr. to Nov. 30	113,127,000 ^a	7,538,000	.69
1978-qtr. to Nov. 30	90,770,000	5,142,000	.47
Texscan			
1979-9 mo. to Oct. 31	6,791,319	210,950	.22
1978-9 mo. to Oct. 31	4,935,530	140,478	.16 ^b
1979-qtr. to Oct. 31	3,652,989	138,098	.15
1978-qtr. to Oct. 31	2,619,785	88,425	.10 ^b

Notes: ^aRecord. ^bAdjusted.

Consumer Electronics Personals

Archie Purvis, ex-MCA Discovision, joins ABC Pictures International as Video Sales Div. vp... **Robert Pierce**, ex-Interstate Industries, one-time Zenith, joins Gulf & Western subsidiary Mktg. Concepts, as exec. vp... **Edward Sherry**, ex-Sony, appointed JVC video product mgr... **Mark Dellafera**, ex-H. H. Scott, named BASF audio/video cassettes mktg. mgr... **Adrian Delgado**, ex-Purex, joins TDK as northeast mgr.

Frank Hoffman named BIC pres., succeeding **Len Freeman**, who returns to parent Avnet; **Mervin Baranek** appointed exec. vp, replacing Hoffman; **David Moore** named domestic sales mgr... **Hitooshi Omikawa** named Sansui (U.S.) exec. vp... **Robert Morrill** resigns as Phase Linear mktg. vp... **Greg Cornehlis** & **Joseph Kotowski**, both ex-Koss, named pres. & vp, respectively, of Sound Guard unit acquired from Ball Corp. by Audio Technica.

David Pinelli promoted at BSR to Consumer Products Group mgr. & sales administrator, succeeding **Pat Murray**, now midwest mgr.; **Don Lynch** advanced to OEM Group sales administrator, replacing Pinelli; **Tim McLoughlin** promoted from asst. vp to vp, Industrial Products Div. west & midwest regions... **Ed Hamowy**, Soundesign special market sales mgr., named vp; **Jim Wood** appointed Home Furniture Div. sales mgr.

James Magid, electronics analyst, moves from Shearson Hayden Stone to L. F. Rothschild, Unterberg, Tobin... **Stuart Pettingill**, former consumer electronics specialist with Commerce Dept. Office of Producer Goods, retires after 38 years with govt... **John McDonnell**, ex-Sony Video Products, joins upstate N. Y. retailer Audio/Video Corp... **Dennis Barnhart**, Commodore, named pres., Micro-

computer Industry Trade Assn.; **Wes Thomas**, 21st Century Media, elected exec. dir.

Lauren Frazier, former GE systems design & engineering mgr., joins Fisher-Price as technical product engineering dir., responsible for activity in electronic toys... **N. Wayne Omokawa** appointed vp-gen. mgr. of new Torrance, Cal. components sales office of Japan's Alps... **Stephen Barthelmes** promoted at Thomson-CSF Electron Tube Div. from mktg. mgr. to gen. mgr., assuming some former duties of **Ernest Stern**, who continues as pres... **James Dobbie** resigns as Memorex exec. vp to join Avantek as pres. & chief operating officer.

Hearing on COMPACT request for extension of color TV import restrictions past scheduled July 1 expiration date (Vol. 19:51 p9) has been set for March 5 by International Trade Commission. There's Feb. 29 deadline for appearance requests, and Chmn. Bedell will hold pre-hearing conference Feb. 14. ITC calendar is open for March 6, so hearing could run 2 days, but virtually every other date through April is booked, so there's no possibility of hearing in Chicago, as there was on original COMPACT petition which resulted in 3-year quota on exports from Japan. Last year quota was extended to cover Taiwan & Korea. We've learned that Korea has been given assurances its color manufacturers will be permitted to export color chassis to U. S., provided they aren't imported before July 1. Limit is believed to be 50,000. Unlike Japan & Taiwan, Korea now has no special chassis quota, and has been pressing for one so its producers can set up U. S. assembly operations.

Home video market will be surveyed by Time magazine, results disclosed at ITA conference in San Diego March 2-5. Sample includes 400 owners of Magnavox videodisc players, 400 with Quasar VCRs. Beta Research will handle study; it did earlier one for Time which indicated strong interest in pre-recorded cassettes & rentals (Vol. 19:28 p.11).

WEEKLY

Television Digest®

with
consumer
electronics®

35th YEAR OF PUBLICATION
35
1945-1980

The authoritative service for broadcasting, consumer electronics & allied fields

JANUARY 21, 1980

VOL. 20, NO. 3

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

INTV SEES FEW CLOUDS although there's much concern over threatened loss of syndicated exclusivity. STV & new technology in forefront. Goldwater sees no legislation in 1980. \$300,000 research project approved. (P. 1)

OLYMPIC BOYCOTT: Chances grow as Carter Administration sets mid-Feb. deadline for USSR to be out of Afghanistan while studying 'alternate' Olympics. NCTA offers to cover non-Soviet Games. (P. 3)

NAB AGENDA IN CAL. without major problems and divisive issues of past years, although proposed \$50,000 study of TV-radio contraceptive ads is controversial. (P. 3)

NCTA's TEEMING SCHEDULE: Convention firming up; Executive Seminar on videotext; new staffers needed to fill gaps. (P. 4)

FIRST AMENDMENT CONGRESS: Philadelphia meeting spotlights free speech & press problems. Gallup poll finds only 24% of Americans know what First Amendment is. (P. 5)

BROADCASTERS ON WESTAR: New satellite capacity sold out by Western Union; ABC & CBS are customers. (P. 5)

INTV SEES FEW CLOUDS: Switching emphasis from regulatory problems in past years to programming, technology & research, some 505 executives of 52 independent stations and related businesses came home from last week's INTV convention in Houston confident of future.

Major regulatory problem on horizon, they believe, is possible loss of syndicated exclusivity protection from cable imports. INTV attorney Dean Burch, ex-FCC chmn., predicted FCC "is presently split 3-1/2 to 3-1/2 on syndicated exclusivity. "I hope you are all sending cards & letters for [reappointment of FCC Comr.] Jim Quello. . . I'm going to organize a prayer vigil later on." He said that without Quello, Commission would be "entirely different," predicted staff will recommend doing away with both syndicated exclusivity and distant signal rules, expects latter to be approved.

Station operators heard much about STV, had mixed reaction to repeated assurances from panelists that pay operations wouldn't represent competition and several exhortations to start their own pay operations. Security analyst Anthony Hoffman (Bache) stressed importance for existing TV structure to "direct & control" technology. He said industry must fight to prevent pay cable and other new technology from becoming ad supported. (For Hoffman comments on Comsat direct-to-home satellite plan, see p. 5.)

Sen. Goldwater (R-Ariz.), ranking minority member of Communications Subcommittee,

Consumer Electronics

2ND-BEST COLOR YEAR, 1979 had record first half, weakened in 2nd, ended with inventories at 4-year low. VCR inventories at record high. (P. 8)

REVISED COLOR CAPACITY figures for domestic industry from ITC show sharply increased utilization rate for 1976-78, could become pivotal issue at hearing on quota extension bid. (P. 9)

PAY & SUBSCRIPTION TV decoders attracting TV manufacturing. Zenith & Magnavox poised to start production, joining Oak, Blonder-Tongue, CTS Knights. STV demand seen at up to million units this year. (P. 10)

VCR PRICES IN JAPAN DROP, average falling to \$875 from \$967 in less than year. Survey indicates \$358 average in 1979. (P. 10)

GE-HITACHI VENTURE proposed in 1977 would have dropped b&w production to overcome Justice's anti-trust objections, agency files show. (P. 12)

SELECTAVISION DISCS expected under 2 brand-names & distribution channels when RCA launches players, RCA custom-pressing for CBS label until plant goes on stream. (P. 14)

said: "I honestly don't think there'll be any revision of the Communications Act in this session of Congress... It's a political election year and many of our members are up for reelection... I don't think any of them running, including myself, wants to get anybody mad in the communications business."

Goldwater said Senate "hasn't had a great response"—except from Ariz. stations—in effort to amend Act (Vol. 20:2 p3). "If you're happy with the way things are, that's the way to keep things the way they are," Goldwater said. "If you want changes, you've got to get them to those of us in Washington."

FCC Comr. Jones hit FCC's rigid *ex parte* rules, said there's great fear among commissioners of being "Pertschuked"—reference to FTC chmn. (Vol. 20:2 p4). She said FCC policy has "a chilling effect which is very unfortunate and probably unnecessary... Rulemaking, such as the pending radio deregulation and children's TV proposals, are clearly legislative in nature... Judicial decisions... indicate that no such policy [banning *ex parte* contacts] is required by law... The thing to do is revoke or change the policy and I am trying very hard to get that done." She said that FCC Gen. Counsel's Office has been asked to present agency with study of interim *ex parte* rules, come up with recommendations.

INTV members were enthused over pilot study comparing identical commercials in same dayparts on independents in N. Y. & St. Louis, authorized measurements in another 6 markets (including L. A.) at total cost of \$300,000. Pilot study showed that early fringe Ford commercial in N. Y. and Purina Cat Chow prime-time spot in St. Louis resulted in viewer recall & effectiveness on independents "greater or equal to" that of affiliates. Men were interviewed in N. Y., women in St. Louis, by Burke Marketing Research.

In other actions, INTV members: (1) Finalized plans to move hq to Washington by end of summer. Moving will be Pres. Herman Land and Operations Vp Nicki Goldstein; marketing, sales & research will remain in N. Y. (2) Dues were raised 25% for total budget of \$500,000 (excluding Burke research, which is being paid through special assessment). Even with dues increase, amount paid by members will remain about same as in 1979 because of special assessments. (3) Picked L. A. for Jan. 18-21, 1981 convention, Washington in 1982. (4) Voted not to permit programmers to screen products. About 3 did, anyway, in Houston and "we know who they are... We talked to them," according to Chmn. Robert Wormington.

Wormington questioned whether drive for diversity in program sources will have adverse impact on localism in TV, and Land claimed independents are best geared for future because they don't have to depend on "the spinal cord of network programming." Land said TV's "universal strengths" remain its availability to all viewers and fact it's free. He said independents now reach 60% of U.S. homes, giving advertisers circulation base for other-than-occasional specials.

Consultant Paul Bortz discussed impact of new technology, said he detected "pessimism" in TV industry. "That kind of attitude is wrong," he said, because technology offers opportunities for telecasters, along with major changes Bortz predicts are coming in regulatory arena.

Publisher Paul Kagan said there now are 6 million U.S. pay-TV subscribers—400,000 of them receiving STV, and latter will grow to 850,000 by end of 1980, to 1.4 million in 1981. He saw number of STV stations growing from current 6 to 25 by Dec. 1981. When pay cable & STV first compete head-to-head in major market, Kagan said he's not sure which will win but that there are lots of STV dollars to be made in many such markets before cable arrives. He told independents to "decide what business you want to be in," because STV and commercial TV are different.

Oak Industries Chmn. Everitt Carter said KBSC-TV L. A. is well in black with 228,000 STV subscribers paying \$19 monthly, \$45 installation, \$20 security fee; station became profitable after 15 months with 156,000 subscribers. He said company hasn't done so well with Phoenix, has just started in Ft. Lauderdale. Phoenix stations refused to accept STV commercials, and Oak has filed restraint-of-trade suit. Carter said break-even point in Phoenix is 30,000 subscribers, 40,000 in Ft. Lauderdale. In answer to question, he said KBSC-TV pays between 5¢-60¢ per subscriber for movies depending on quality and number of runs. He

refused to say how much station pays for major league baseball rights.

WQTV Boston STV, run by Subscription TV Inc., now has 21,000 subscribers (including 4,000 signed in Dec.), according to Pres. Rinaldo Brutoco. He said WQTV advertises heavily on Boston stations, charges \$90 installation, \$15.95 monthly, no security deposit. WQTV has 1.2% disconnect rate, KBSC-TV 1.5%. Brutoco & Carter said ratings of their stations, during non-pay hours, have improved tremendously since STV started.

Golden West Pres. John Reynolds urged independents to get into STV—either on their own or by leasing pay operations. Golden West plans STV in Oklahoma City, Hartford, Salt Lake City & Tampa, MDS in 10 other cities. STV isn't contemplated for Golden West's Ch. 5 independent KTLA L.A., Reynolds said.

OLYMPIC BOYCOTT CHANCES GROW: Carter Administration resolve to boycott Moscow Olympics if USSR doesn't get out of Afghanistan appeared to stiffen last week. Secy. of State Vance said U. S. should boycott if Soviets are still in Afghanistan by mid-Feb., and White House Press Secy. Jody Powell said Carter shares this view. U. S. Olympic Committee Pres. Robert Kane, unhappy that White House didn't consult USOC before proposing boycott, admitted that Committee would follow Presidential request to boycott, though President has no legal authority to give order.

Canadian Prime Minister Clark and British Prime Minister Thatcher announced support for holding Olympics outside of USSR. Carter Administration officials, studying possibilities for alternate locations, were saying privately that U. S. might "go it alone" on boycott, even if all other Western nations went to Moscow. Sen. Kennedy (D-Mass.) said he wouldn't greatly object to boycott.

NBC TV reiterated that it wouldn't cover Olympics if U. S. weren't there (Vol. 20:2 p1), but said it would cover boycotted Olympics "as a news event." NBC said it had plenty of premium programming to replace 152 Olympic hours; but boycott would shatter plans to promote fall season during Games. Ampex, which has sold \$15-million worth of equipment to Soviets for Games, is concerned that some equipment not yet delivered may be embargoed.

Meanwhile, NCTA said cable would be happy to cover "alternate" Games on non-exclusive basis. NCTA Pres. Thomas Wheeler, after conferring with ESPN Pres. Chester Simmons (who made original Olympic arrangements with Soviets for NBC) and Turner Communications said cable could provide alternate coverage: "It's not our goal to pre-empt NBC or the commercial networks on this. We're just offering our services." Wheeler refused to rule out possibility of cable covering boycotted Moscow games.

NAB BOARDS' AGENDA IN CAL.: Meeting sans many major divisive issues of past, NAB starts 5 days of board & committee meetings in Palm Springs Jan. 21. Govt. regulation, threats of regulation and deregulation, will play major role in discussions but there aren't any major & pressing decisions to be made, as in previous years.

Some controversy is likely to center on recommendations of both TV & Radio Code boards that NAB finance \$50,000 study of public attitudes toward broadcast contraceptive ads. Several times in past, NAB has turned down acceptance of such spots by Code subscriber stations even on experimental basis.

Also, action is due on recommendations of Evaluation Committee, which has proposed a "blue ribbon" study of NAB to be conducted by ad hoc committee (Vol. 19:41 p4). Among other recommendations: Each NAB dept. would be required to establish goals, timetable & procedures on regular basis; dept. heads would make regular evaluations of staffers; rename Station Services Dept. the Bcst. Dept. (and some members of evaluation committee want it headed by broadcaster, although that isn't proposed as requirement); upgrading of heads of engineering & public affairs to senior vps, head of broadcast management to vp; more specific job descriptions for staffers; study of size of radio board and geographical distribution.

Board will be asked to approve \$7,006,000 fiscal budget (up 9.9%) with \$58,467 surplus, compared with \$6.58 million and \$211,003 deficit for fiscal year ending March 31. NAB ex-

pects \$2.59 million from TV members, \$2.5 million from radio, \$325,000 associates, and net convention income of \$1.25 million (up \$350,893). Publication income of \$105,000 is projected, \$160,000 from rent and \$150,000 in interest. Proposal to increase dues has been referred to Membership Committee.

Major expenses will be \$2.3 million for general administrative, \$1.55 million for station services, \$1 million for Code Authority, \$636,453 for govt. relations, \$494,232 for legal, \$456,985 for public affairs. "Travel & entertainment" budgets include \$90,200 for govt. relations, \$28,500 public affairs, \$218,500 station services, \$61,700 administration.

Major topic of conversation—although no decision is expected—will be successor to resigned Donald Zeifang, senior vp for govt. affairs, who joins Washington office of Cleveland law firm Baker & Hostettler next month. Liaison Committee—along with reps of Executive and other committees—meets on subject Jan. 21 along with discussion of future course dept. should follow.

In 75-page report (which also will go to all NAB members), Govt. & Legal Depts. detailed for board "a depressingly long list of proposals for almost total federal intrusion" into broadcasting, "containing many contradictions and inconsistencies. . . Despite the increase in the number of pending proceedings. . . there are indications of greater sensitivity by some regulators and legislators to First Amendment principles."

NCTA's TEEMING SCHEDULE: NCTA is revving up on several fronts: (1) Plans are congealing for convention in Las Vegas May 18-21. A "given" are speeches by "the chairmen"—Sen. Hollings (D-S.C.), Rep. Van Deerlin (D-Cal.), FCC's Ferris. Program topics are mostly predictable—you know what they have to include: Legislation, pay cable, satellites, expanded capacity, new services, franchises, state regulation, technical advances, etc. Sun. is chairman's reception. Mon. has big bashes of HBO & Showtime. Banquet is dropped. Tues. has 7 p.m. "The Event"—comprising awards & entertainment ("big name")—leaving time for going out to dinner. Show producer, again, is Williams-Gerard. And, of course, attendance will be all-time record (despite tradition of trade associations to play with numbers).

(2) "Executive Seminars" start with Feb. 3-5 videotext session, members-only, at Disney World, Orlando. Two each are invited from top 20 MSOs, one each from next 10. Tab is \$375. British "father" of videotext will speak. One mid-winter seminar per year is planned.

(3) Pres. Thomas Wheeler is filling staff gaps. Charlotte Beales, ex-WRC-TV Washington research mgr., is new research dir.; new gen. counsel and an asst. will be named shortly—possibly including person from minorities.

(4) Next board meeting is Feb. 28-29, Sarasota.

Satellite TV is on agenda for House Communications Subcommittee of Rep. Van Deerlin (D-Cal.)—planning March hearing on new business activities of Comsat. But Comsat objects, is seeking postponement. Dates aren't confirmed, but staff expects 2 days of Comsat witnesses, day or more of others. There also may be witnesses from FCC & NTIA. Comsat Pres. Joseph Charyk told Van Deerlin in letter that proposed hearing should be rescheduled after completion of FCC inquiry into Comsat. Charyk hit NTIA's proposed mandated split of Comsat into 2 completely separate companies and its intention to contract "another study of Comsat's structure, presumably to develop a rationale of support for NTIA's presently stated conclusion."

TV viewing in 1979 reached record highs for 12 consecutive months, and average daily viewing time rose to record 6 hours & 28 min., 10 min. more than 1976 record, TvB says. Highest month was Jan. (7 hours & 30 min.), lowest July (5 hours & 46 min.).

Endorsement rules for advertising set by FTC:

(1) "Average person" must be able to expect comparable performance for endorsed product. (2) Endorsers must use product as long as endorsement is used in ads. (3) Endorsements must contain only claims that could be substantiated if advertiser made them directly. (4) Endorsements must not be removed from context in way that distorts them. (5) Ads featuring "actual consumers" must use actual consumers or say actors are appearing.

Defense commissioner post has been vacant at FCC since Margita White left, Comr. Quello told colleagues last week, urging new appointment in light of international situation. In recent years, job has been held by woman member. Chmn. Ferris immediately offered it to Comr. Jones, who declined. Ferris then offered it to Quello, who also declined.

Wometco & Universal Subscription have formed joint venture to buy WSNL-TV, Smithtown, L.I. (Vol. 20:2 p5), will expand STV coverage in N.Y.-N.J. area.

FIRST AMENDMENT CONGRESS: Coalition of journalism groups held "First Amendment Congress" in Philadelphia Jan. 16-17 to air concerns about safety of press freedoms and begin educating public on constitutional rights. Two-day event featured keynote speech by CBS correspondent Dan Rather and results of Gallup poll revealing public ignorance of First Amendment but disclosing reservoir of faith in competence of news organizations. NAB, National Bcst. Editorial Assn. & RTNDA were among 12 sponsors of meeting, which reconvenes in Williamsburg, Va. March 16-18 to act on issues raised in Philadelphia.

Rather, replacing scheduled keynoter Walter Cronkite, told meeting's 270 delegates that legal attacks on First Amendment by Supreme Court and others are "unprecedented but ironical," because attacks began in mid-70's, during greatest triumph of Amendment and investigative journalism—Watergate. "When I first started in journalism, it was rare that anyone brought up legal problems. Now, at '60 Minutes,' one of the first things we examine with a story is the legal side," he said. He and other speakers cited N. Y. "Gannett vs. dePasquale" case barring reporters from pre-trial hearings as courts' greatest transgression against press freedom.

Gallup poll, based on 1,500 interviews, found only 24% could accurately describe Amendment; 37% felt more restrictions should be placed on press. But U. of Mich. researchers Michael & Judee Burgoon said Americans still regard press "function" as important, are fairly sophisticated about handling of news, and have more faith in accuracy of newspapers than of TV & radio news. Jerry Morial, New Orleans mayor, gave critical talk on effects of press on politics, saying: "Founding Fathers didn't intend that the press should be the spokesman of the people or the government."

Congress had revolutionary-colonial theme, kicking off with tour of Independence Hall and skit about those who died at Battle of Saratoga. Organizers admitted that purpose of Philadelphia meeting was to draw media attention and begin campaign to increase public awareness of threats to First Amendment. About 2/3 of delegates were from journalism, rest from civic and social organizations.

Conference was opened to comments and questions from floor, giving groups such as National Right to Work Legal Defense Foundation and Gay Task Force chance to make pitches with only vague references to First Amendment.

Dan Brenner, legal asst. to FCC Chmn. Ferris, urged conference to consider free speech and press problems of media of future—videocassette, video-disc, teletext—as well as print & broadcasting. White House staffer Steve Simmons asked delegates to support Carter legislation to prevent searches of newsrooms, now pending in House & Senate Judiciary Committees. Meeting's lowest moment came when Liz Sokoski, of Ohio State Journalists' Assn., asked panel what delegates could do to increase public awareness of First Amendment other than writing articles about it; 3 of 4 panelists answered: "I

don't know."

Congress was videotaped by local public station WHYY-TV with \$20,000 grant from Johnson & Johnson. But station said \$70,000-\$100,000 more would be needed to produce program on subject, including footage of Williamsburg meeting. Johnson & Johnson was considering grant. Herbert Hobler, WHWH(AM) Princeton, and one of organizers of meeting, said Williamsburg session will be more goal-oriented, with only 150 delegates invited, and 12-15 study groups formed to recommend action on issues raised in Philadelphia. NAB Chmn. Thomas Bolger: "We've been concerned about the First Amendment's difficulties for quite a while, and, as our sponsorship of this Congress shows, we want to follow through on some of these problems."

BROADCASTERS ON WESTAR: Jubilant Western Union officials say they've fully sold new Westar, and broadcasters are major customers. Contracting for \$120,000-per-month transponders: ABC, CBS, Robert Wold, Satellite Communications Network (new resale common carrier), Hughes TV Network (of Madison Sq. Garden Communications) sharing with Blair TV, Bonneville Bcstg., Cable News Network (for feeds into Atlanta), Spanish International Network, and Video Communications, Tulsa (for video service to institutions, ships, offshore platforms).

"I strongly suggest that you all invest in satellite earth stations," broadcast analyst Anthony Hoffman of Bache Halsey Stuart Shields advised 52 station members of INTV during Houston convention last week. INTV Chmn. Robert Wormington said: "For the first time, we can avoid the post offices. We can avoid air freight."

Blairsat Pres. John Bray said rep firm plans satellite distribution in Sept. into 32 markets using Westar. Group W's George Sperry said planned Vidsat satellite program distribution is "a must in order to remain competitive in the 80s." Vidsat also will start in Sept., serving top 25 markets, sharing Westar transponder with PBS. Vidsat hopes to be supplying satellite programs to top 100 markets by early 1982, he said. Vidsat rates will be announced at Feb. 12-17 NATPE convention in San Francisco.

Consultant Paul Bortz, ex-NTIA deputy dir., said that Comsat's predicted time frame for direct-to-home satellite TV is "very unrealistic." He predicted that Comsat proposal will be "tied up in regulatory hassles" for years and that 12-GHz frequency Comsat plans to use won't be available until mid-1980s. After that, he said, equipment has to be built and it will be 1990 or later before system can start.

ABC Engineering Vp Julius Barnathan told us new WU tariff "makes it more meaningful" for network to have its own transponder. He said program distribution to affiliates isn't planned "at this time." CBS source reports that network wanted to "protect itself" from possible scarcity of transponders.

FCC approved sale of KCPQ-TV Tacoma to Kelly Bcstg., rejecting pleas of citizens groups to reserve station for education. Station was sold by school district for \$6.25 million.

Special Sec. 315 FCC task force has been proposed by Sen. Goldwater (R-Ariz.), who told Ga. Assn. of Bcstrs. that task force should monitor application of statute and recommend changes. He also said that FCC's movement on children's TV rulemaking and refusal "to heed the concerns of members of Congress" gives "added support to the proposal in our revised bill to require an annual authorization for the FCC." Meanwhile, NAB filed comments with Senate Commerce Committee on revision of Communications Act proposed (Vol. 19:50 p3) by Sen. Hollings (D-S.C.), Communications Subcommittee chmn. Assn. complains that proposal may encourage FCC to break up more broadcast-newspaper-cable system combinations; it urges that broadcast provisions be included in any final legislation. NBC filing on proposal calls for authorization for FCC regulation of cable signal carriage, including retransmission consent.

Character qualifications of licensees aren't clear in FCC policy, Comr. Fogarty stated recently. Joined by Comr. Jones, he asked for staff memo on history & law, and Gen. Counsel is working on it. Fogarty brought issue up because of pending renewal of RKO's WNAC-TV Boston, which has agreement to sell station to New England TV Corp., formed by competitors for channel. Qualifications of RKO parent General Tire are in issue—dealing with allegations of unfair competition, "bribes, illegal campaign contributions, misappropriations of corporate funds and related illegal and unethical conduct both at home and abroad." (Vol. 19:29 p4). Commission discusses case Jan. 24.

TV network competition is so intense it has spread "all the way across the schedules and beyond them," resulting in "a better, more responsive commercial broadcasting system," according to CBS TV Pres. James Rosenfield. Speaking to Greenville, N.C. Chamber of Commerce, he said recent TV Guide editorial critical of Iran news coverage "is a curious piece of criticism... After all the talk about sex and violence, it is certainly a change to be criticized for too much news coverage."

Richmond stations, upset with Arbitron ADI change which moves market from 56th to 64th rank, make joint presentation to some 30 agency representatives in N.Y. Jan. 21, arguing against change. Charlottesville, previously included in Richmond ADI, was hyphenated with Harrisonburg last year. Arbitron maintains that market criteria required change, rejected Richmond stations' appeal for reversal.

Oops, sorry! FCC release dated Jan. 10, 1980, dealing with filing of network contracts with Commission, begins: "The Commission here considers a petition for rulemaking which was filed in 1968 but, unfortunately, was overlooked until recently..."

FCC Children's Task Force has moved from Office of Plans & Policy to Policy & Rules Div. of Bcst. Bureau since proceeding has moved into rule-making stage, Commission said.

RCA wants 13 transponders on AT&T's Comstar system to restore those lost when Satcom III failed. AT&T said it expected to decide in 3-4 weeks whether to grant lease.

NRBA will spearhead formation of committee "to examine the motives, actions and representation of groups who presumably act in the 'public interest' to determine that they are acting in the public interest." Exec. Vp Abe Voron said that just because organization has "public" in name doesn't mean "it is necessarily sacred or beyond questions." Other actions at NRBA board meeting: (1) Opposition to reducing AM bandwidth to 9 kHz. (2) Resolution stating that FCC deregulation proposal would "generate more onerous over-regulation than now exists and would create an even greater lack of license stability." (3) Support for Arbitron in delisting of radio stations which air promotions urging listeners to fill out diaries.

Democratic Presidential candidate Jerry Brown Jan. 18 asked D.C. Appeals Court to overturn FCC 6-0 ruling earlier same day that Brown isn't entitled to time on NBC-TV equal to that given President Carter in scheduled Jan. 20 appearance on "Meet the Press." Commission ruled that program is bona fide news event, thus exempt from Sec. 315. Court denied complaint. Sen. Kennedy (D-Mass.) also had protested Carter appearance on NBC, was slated as Jan. 20 guest on ABC-TV's "Issues & Answers." Also last week, FCC ruled that Ia. caucuses are tantamount to primary election and thus lowest unit rate applies, as we forecast (Vol. 20:2 p2). Carter & Republican candidate Ronald Reagan had sought ruling.

TV sets aren't improving in their rejection of educational FM (88-92 MHz) interference to TV Ch. 6 (82-88 MHz), AMST said, commenting on FCC Labs report on receivers. Therefore, Assn. said, Commission should set up allocation table for educational FM stations to protect the 50-some Ch. 6 stations. Even if improved receivers were placed on market now, AMST said, it would take 20 years to replace existing sets. Assn. also repeated position that CB should be shifted entirely from 27-MHz to 900-MHz to reduce interference to TV.

"Graveyard" time slot programming—including weather radar scans and news wire readouts—will be permitted by FCC under proposed amendment of operating rules. FCC recently has granted several waivers of Sec. 76.653 permitting broadcasts on visual transmitter only after close of regular programs. Under proposed amendment, material broadcast in graveyard slots couldn't count towards total hours of informational programming.

NATPE oddities, for Feb. 16-21 convention in San Francisco: (1) Boston-based G.G. Communications, distributor of children's programs, will award ounce of gold to some lucky visitor to hospitality suite. (2) Telepictures has purchased entire Feb. production of local brewery's Anchor Steam beer to dispense.

NAB is considering asking airlines to schedule special flights at 3 & 4 p.m. from Las Vegas to Washington & N.Y. on April 16—day NAB convention closes. If interested, call Travel Resources at 800-638-8427 (from Washington 279-2909).

Warner Amex has signed agreement with C-COR for equipment for minimum of 1,200 miles of cable plant.

Personals

Brandon Tartikoff named pres., NBC Entertainment Div., replacing **Mike Weinblatt**, who becomes pres. of new NBC Enterprises Div.; **Irwin Moss**, senior vp, takes on responsibility for business affairs... **Herbert Cahan**, retired Group W area vp, joins North American Bcstg. (headed by **Larry Israel**) as vp, will become gen. mgr. of WBFF Baltimore when FCC approves sale... **Thomas Dawson**, CBS Radio vp, becomes BPA pres... **Peter Yaman**, ex-vp syndication, named vp sales, Group W Productions; **Carl Menk**, ex-sales development dir., becomes vp-syndication sales; **Daniel Cosgrove**, ex-Eastern Div. mgr., moves to vp-media sales.

Stephen Scheffer promoted to programming vp, Time-Life TV, in charge of production & acquisition; **Arnold Huberman** resigns as vp-film programming, HBO, to found Samoyed Productions, independent production company; **Jay Walkingshaw**, ex-corporate development vp, HBO, appointed T-L Films vp & video div. gen. mgr.; **Kate Bonniwell**, ex-Money magazine, becomes T-L Films vp & dir., consumer marketing, Video Div.

Ron Nessen, ex-NBC News correspondent and White House spokesman, joins Marston & Rothenberg, Washington PR firm... **Juanita Kreps**, ex-Commerce Secy., elected a dir., AT&T... **Joe Dine**, ex-NBC & CBS information officer, joins Census Bureau to promote to public TV & radio... **Deana Collingwood Nash**, ex-PBS, starts Collingwood Assoc. consulting firm, with **Rick Beatty**, ex-Carnegie Commission, **Charles Lichenstein**, ex-PBS, **Robert Stengel**, ex-NCTA... **Richard Gay** becomes counsel, Gammon & Grange, Washington law firm; **Mark Amerman** joins as assoc.

Lennart Ringquist resigns as pres. of Metro-media Producers Corp., replaced temporarily by **James Stabile** from parent Metromedia... **Charles Martin** promoted to Vp-sales, CBS TV west coast, succeeding **Carl Tillmanns**, retired.

Lou Brock, ex-St. Louis Cardinals, joins Telcom Cablevision as dir., sports programming... **Gary Weik** promoted to vp-marketing, Cox Cable, following resignation of **Ernest Olson**; **Dennis Mollenkamp**, ex-Atlanta transit system, joins as PR dir... **Jeffrey Glasserow** named vp & account supervisor, Ernst-Van Praag communications consultants... **Jon Beecher** named vp-promotion & programming, Reymer & Gersin consulting firm... **Rocco Lupo** promoted to quality assurance supervisor, Magnavox CATV Systems... **Sid Prothro** promoted to CATV sales mgr., Tocom Systems... **Patrick Lopker** promoted to new market development dir. (financial), Times Mirror Cable... **Marguerite Shapalis**, ex-Nigberg Corp., joins Valtec as fiber-optics marketing services coordinator.

Patrick Devlin named exec. vp, Blair, with responsibility for sales, training & market development; **James Kelley** reassigned from senior vp-national sales to new post of senior vp & general sales mgr... **Bruce Fauser** & **Al Rothstein** named regional sales mgrs., Petry TV... **Al Mangum** joins Durham Life Bcstg. as mgr.-networks... **Gary**

WEEKLY Television Digest

with
Consumer Electronics...

(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1980 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & Cable Addenda*, *Cable Atlas*, biweekly *Public Broadcasting Report*, *Satellite Week*, *Video Week* and other special publications.

EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D. C. 20036

Phone: 202-872-9200

WASHINGTON HEADQUARTERS

Albert Warren... Editor & Publisher
Dawson B. Nail... Executive Editor
Paul L. Warren... Associate Editor
Jonathan Miller... Associate Editor
Christopher Kelly... Assistant Editor

Television Factbook

Mary Appel... Editorial Director
Marilou B. Legge... Managing Editor

Factbook Research Inc.

Sean P. Maloney... General Manager
Business

Edward L. Sellers... Sales Dir.
Roy W. Easley III... Business Mgr.
Barbara J. Pratt... Circulation & Sales Promotion Mgr.
Lisa Maurer... Asst. Sales Dir.

NEW YORK BUREAU

510 Madison Ave., N.Y. 10022
Phone: 212-355-5611

David Lachenbruch... Editorial Dir.
Robert E. Gerson... Senior Editor
Seth Goldstein... Associate Editor

JAPAN REPRESENTATIVE (Editorial & Business)

John H. Nakamura

13-3-1001 Roppongi 5-chome
Minato-ku, Tokyo 106, Japan
Phone: 03-583-7493

Montanus, ex-CTS National Sales, named national sales mgr., WBBM-TV Chicago, replacing **Joe Orso**, who joins KMOX-TV St. Louis as sales dir... **Tom Arnost**, ex-Petry TV, named national sales mgr., KTLA L. A.

Ronald Steiner, ex-WIIC-TV Pittsburgh, named station mgr., WDHO-TV Toledo... **Robert Krieghoff**, ex-WEYI-TV Flint-Saginaw, joins WROC-TV Rochester as gen. sales mgr.

KPRC-TV Houston Pres. Jack Harris, writing in Jan. Washington Journalism Review: "Direct satellite-to-home telecasting... would likely be fatal to local station operation... would require almost 100 million home owners to acquire one or more receiving antennae just to get what they already receive. The cost to consumers would be in the tens of billions of dollars."

William Lilley, new CBS Washington corporate vp, as we reported (Vol. 20:2 p5), was introduced to CBS govt. staff at 2-hour session Jan. 16. Lilley, who talked to each Washington staffer individually, was accompanied by top N.Y. brass: Pres. John Backe, Exec. Vp John Purcell, Vp-Corp. Affairs E. Kidder Meade.

FCC denied reconsideration of May 1979 decision expanding frequency range for cable TV relay (CARS) service. Networks and other broadcasters urged reconsideration, seeking use of frequencies for expanded ENG.

NBC-TV will announce fall schedule earliest ever—by late April—it told 60 affiliates at mini-conference in P. R. Affiliates voted approval of TV critic on "Today" who sometimes criticizes NBC programs.

Detailed financial information no longer will be required when stations apply for facilities changes, FCC ruled.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

OFFICIAL 1979 SALES FIGURES

Here are EIA's final & official statistics on TV, VCR & radio total-market sales to dealers for 1979, with 1978 & 1977 comparisons, and for year's final week. (For Dec. breakout see p. 13.)

	Full Year 1979	Full Year 1978	% change	Full Year 1977	Dec. 22-28	1978 week	% change
Total TV.	16,101,088	16,300,723	-1.2	14,771,017	268,236	346,459	-22.6
color	9,846,487	10,236,319	-3.8	9,106,826	165,276	206,119	-19.8
monochrome . .	6,254,601	6,064,404	+3.1	5,664,191	102,960	140,340	-25.6
Home VCR	475,396*	401,930	+18.3	—	10,087	12,694	-20.5
Total radio . . .	39,695,529	45,146,245	-12.1	54,694,701	409,284	569,981	-28.2
home, portable	27,314,053	32,477,755	-15.9	41,804,859	224,347	411,512	-45.5
AM-only . . .	5,542,008	7,933,034	-30.1	10,848,424	118,549	145,903	-18.8
FM & FM-AM	21,772,045	24,544,721	-11.3	30,956,435	105,798	265,609	-60.2
auto	12,381,476	12,668,490	-2.3	12,889,842	184,937	158,469	+16.7

Color TV 5-week moving average: 1979—203,686; 1978—220,070 (down 7.4%).

Home VCR 5-week moving average: 1979—12,519**; 1978—10,563 (up 18.5%).

*Record year. **Record for period.

PROFILE OF 2ND-BEST COLOR YEAR: Color TV sales at 9.85 million in 1979 came just 3.8% short of matching 1978's 10.2-million record (see table above), and surge in b&w brought total TV sales to dealers to 16.1 million, just 1.2% below 1978 total of 16.3 million.

It was year which saw progressively weakening color sales, but record sales in first half (4.63 million sets, annualized rate of 10.3 million) gave it enough impetus to qualify as vintage year, even though 2nd-half sales totaled only 5.22 million, representing 9.3-million annual rate. By quarters, Jan.-March came in at 10.23 million rate, 2nd quarter soared to 10.44 million, but 3rd sagged to 9.38 million and 4th to 9.28 million. Monthly records were set in Feb., March, June & July, and Jan. sales exceeded 1978 mark, too, but failed to come up to Jan. record established in 1973.

On monthly basis, March (11.46-million rate) was best, while Sept. (9.08 million) was worst. Year had 10 record weeks, none of them coming after first week of July, and 15 weeks were above comparable 1978 figures. Interestingly, Dec. business showed pickup in annual rate, its sales rate of 9.46 million being best of year's last 5 months. B&w sales were best since 1973, and 33 of 1979's weeks were above 1978 levels.

Home VCR sales at 475,396, although disappointing, set record at 18.3% above 1978, but sales in 4 months (April, May, July & Sept.) were below year earlier. Radio sales for year were down in all categories, according to EIA figures.

First 2 weeks of 1980 showed continuation of trends of 2nd half 1979—color TV sales at 212,000 down 11.7% from year earlier, home VCR at 13,300 up 66.1%. B&w sales plunged 25.7% to 107,000.

Inventories at factory plus distributor levels show color at lowest year-end point since 1975 and VCR at highest in history. In color, combined inventories totaled about 2,006,000, down 6.1% from end of 1978 and 6.8% from end of Nov. Factory stocks at 1,056,000 were down 15.5% for year and 3.8% for month, while distributor inventories of 950,000 rose 7.2% in year and dropped 9.9% during month. In VCR, factory plus distributor inventories at nearly 133,000

were up 30.4% over year earlier and 6.8% above end of month; factory inventories at 88,000 were up 29.1% in year but down 3.8% in month, while distributors held about 45,000 sets, representing 12-month increase of 32.7%, one-month rise of 24%.

Last month was only 5th best Dec. in color unit sales to dealers, and b&w failed to match 1978 performance for only 3rd time in 1979. But VCR established all-time monthly sales record in Dec. Here are EIA's sales-to-dealers figures for Dec. 1979:

Product	Dec. 1979	Dec. 1978	% change	Dec. 1977
Total TV	1,722,006	1,835,504	-6.2	1,659,874
color	1,018,429	1,100,349	-7.4	1,027,758
monochrome	703,577	735,155	-4.3	632,116
Home VCR	62,593	52,816	+18.5	—
Total radio	3,050,756	3,503,575	-12.9	5,476,715
home, portable	2,018,463	2,326,062	-13.2	4,054,302
AM-only	636,161	823,378	-22.7	1,243,850
FM & FM-AM	1,382,302	1,502,684	-8.0	2,810,452
auto	1,032,293	1,177,513	-12.3	1,422,413

ITC CUTS U.S. COLOR CAPACITY ESTIMATES: In move which could seriously undercut COMPACT's bid for extension of agreements restricting color TV imports into U.S., International Trade Commission announced that its published estimates for U.S. factory single-shift color production capacity for 1976-78 were high by as much as 58%, with unit totals overstated by 5.6-6.2 million.

As originally issued by ITC, domestic production & capacity totals for those years posed picture of relatively depressed industry operating at well below half-speed, despite rising consumer demand. Revised figures, however, show that if not exactly in robust health, domestic manufacturers are well on road to recovery in terms of plant utilization, and our estimate is that report for 1979, due in March, will indicate things are even better.

Domestic color capacity totals previously released by ITC were 15,865,000 for 1976, 16,338,000 for 1977, 17,913,000 for 1978. Revised figures for those same years are 10,281,000, 10,295,000 & 11,738,000. Left unchanged are ITC production totals of 6,049,000 for 1976, 7,005,000 for 1977 and 8,282,000 for 1978. So instead of having operated at only 38.1% capacity in 1976, corrected figures show U.S. color plants produced at 58.8% rate; for 1977 utilization jumped to 68% instead of 42.9% and in 1978 it was a relatively strong 70.6% instead of previously indicated 46.2%. ITC annual capacity totals are sum of quarterly totals for each year.

While of significance in itself from historical viewpoint, revision takes on increased importance because "exceptionally low capacity utilization" is one of major arguments by COMPACT in petition seeking to have import restrictions continued beyond scheduled July 1 expiration date, filed with ITC last month (Vol. 19:51 p9). Current restrictions are in form of quotas limiting complete & incomplete color imports from Japan, Taiwan & Korea.

ITC report for 1979 probably won't help COMPACT's case either. We estimate that domestic production was up modestly to about 8.5 million last year, while capacity declined slightly, since new plants of Hitachi, Sharp & Tatung didn't fully make up for shutdown of Admiral and closings of some Zenith domestic facilities. So we expect ITC's indicated plant utilization for 1979 to be about 75%. It should be noted that many in industry believe capacity & utilization no longer provide meaningful indicators for TV business. That's because days of integrated color production are over in U.S. Virtually all U.S. plants do no more than marry imported chassis & subassemblies to U.S.-made tubes & cabinets, and single line with 25-30 work stations can turn out 150,000 sets annually.

ITC staff uncovered error in capacity figures while preparing for COMPACT's petition, we've learned. Apparent cause was misinterpretation of information requested in questionnaires ITC sends all domestic producers as part of effort to monitor effects of quota on industry production activity. Several firms, including at least one major, provided double-shift capacity figures instead of single-shift. "It's unfortunate, particularly because of the size of the error.

We're a little embarrassed, but we did catch it" in time to correct record for current investigation, said ITC staffer. All manufacturers were re-surveyed to provide new capacity data. Working under May 18 deadline for submission of recommendation on extension of restrictions to President Carter, ITC set March 5 for hearing on petition. Staff investigative report goes to Commission April 18.

How damaging revised figures will be to COMPACT's chances for getting continued protection for domestic manufacturers isn't certain. Current low profit & employment levels alone could be enough to justify need for continued restrictions. But should extension be granted, foreign producers—particularly those in Taiwan & Korea—could use new capacity & utilization numbers to make good case for significant increases in their quota allocations.

\$\$\$ IN STV DECODERS: Rapid growth of STV stations and subscriber rolls (p. 2) has prompted major buildup of decoder manufacture, nearly all in U.S. Big-name entries in coming weeks are Zenith & Magnavox, joining Oak with 2 plants in Wis. & Taiwan, Blonder-Tongue with 2 in N.J., CTS Knights in Ill., Consumer Technology in Cal., Electrohome in Kitchener, Ont.

Third Oak facility, in Carlsbad, Cal., should be completed early next year at cost of \$7 million, will turn out cable converters as well. (Oak also will market TV signal scrambling device, developed jointly with Western Union to block pickup of premium programs by unauthorized home & commercial receivers.)

Expectations are that STV demand among 15-20 stations broadcasting in 1980 will require 800,000-1 million units, vs. total installed base of about 400,000 at end of 1979. Blonder-Tongue & 3 licensees—Magnavox, CTS, Consumer Technology—should be prime suppliers, probably will account for more than 50% of that. Magnavox this week will announce plans to produce units in Jefferson City, Tenn., says first customer is Wometco, \$5-million worth. Delivery begins in 2-3 months.

Tradition of single-source relationship is ending as market expands. Wometco, which operates STV in metropolitan N.Y., had been buying solely from Blonder-Tongue, now says it will order from others, including Magnavox, for new systems. Consumer Technology claims it has simplified production of \$125 B-T box, will begin delivery of "significantly" less expensive decoder in April or May to customers in addition to parent corporation, Universal Subscription TV, operator in Boston. Output at Sunnyvale plant starts at 7,500 a month, rises to 16,000 eventually.

Zenith is making decoder in Ill. & Mexico under private-label agreement with cable operator American TV & Communications (Time Inc. subsidiary), which will sell to all comers. ATC will use unit itself if & when FCC gives go-ahead on STV applications in Denver, Chicago, Nashville.

Blonder-Tongue has capacity for 350,000 decoders a year with start-up of 2nd plant, now offers 3 models, including addressable box for \$160-\$170. Chmn. Isaac Blonder says latter could be used to monitor pay-per-view programming, but decision of American Subscription TV to withdraw this service from SelectTV package in L.A. dims prospects.

Consensus among decoder manufacturers & STV operators that greatly improved programming, such as broadcast of movies simultaneous with theatrical release, is needed to revive pay-per-view.

Only pay-per-view proponent left is Pay TV Corp., which hopes to install units made by Electrohome in San Francisco this year, and Houston, Dallas & Providence, R.I. soon after. Pres. George Wiemann considers technique best means of differentiating STV from pay cable.

VCR PRICE DROP: VCR prices are dropping in Japan, and recent EIA-J survey indicates average will fall to \$583 (140,000 yen) in 1984 and \$358 in 1989. Last month, average price was \$875, down from \$967 last Feb. Survey found VCR quite price-sensitive, indicated only 1.5% of Japanese public would buy VCR if priced in \$750-\$830 area, but 44.9% would buy at \$417. Some 31% said they'd buy if size of VCR were reduced.

NEC announced its home VCR production (Beta) totaled 5,500 units in Dec., 1,500 being sold in Japan, 2,000 shipped to Europe, 2,000 to other countries. None went to U.S. Pres. Akira Saeki said Sharp will export about half of its planned 240,000 VCR production over next 12 months. In U.S., Sharp's William Caire said his forecast of 1980 VCR sales was incorrectly reported in press release—it should have been 650,000, not 750,000 (Vol. 20:1 p10).

Captioning decoders for deaf TV viewers are due from Sears in March, at \$250—both right on originally announced targets (Vol. 19:15 p14). San-yo is producing decoder, using ICs from Texas Instruments, is also scheduled to make color sets with decoders built in. Program captioning will be handled by National Captioning Institute, which got initial funding from HEW, will collect royalties on decoders. PBS is slated to offer 10 hours of captioned programs weekly. ABC & NBC will provide 5 hours, are slated to announce schedules & rates for captioning ads this week. CBS isn't going along.

Oak will market TV satellite signal-scrambling system, developed jointly with Western Union, to block pick-up of premium programs by unauthorized home & commercial receivers.

Copper prices were boosted 4.5¢ to record \$1.224 per lb. last week by Kennecott & Anaconda. Other major suppliers are expected to follow.

EIA BACKS EMBARGO: EIA board of governors, meeting in Boca Raton last week, issued statement supporting President Carter's call for a moratorium on exports of high-technology products to USSR, but made it conditional on getting other industrialized nations to go along. Statement points out that U.S. "companies are engaged in an escalating competition with counterpart industries in Japan & Western Europe," which must cooperate if embargo is to be meaningful.

Announcement came as statement, not resolution, wasn't subject of formal vote, and reflects consensus of board, we were told by Pres. Peter McCloskey. Statement was cleared by board essentially as originally prepared, with changes only to emphasize conditional aspect. McCloskey said members are concerned over U.S. image "as a reliable source of supply" to international customers if export cut-off is essentially U.S.-only affair, adding that "the object [of embargo] is to deny products to Russia. If it just means a change in their source of supply, it's an empty gesture." He pointed out that while moratorium will cover high-technology products, "it doesn't affect products of the highest technology. We haven't been able to export those anyway."

In other activities, board gave preliminary approval to EIA-wide educational program to publicize career opportunities. Industrial Relations Council was assigned task of preparing plan for presentation at April meeting in D.C. Board also expressed continued support for legislation designed to stimulate capital formation, R&D outlays.

ITA seminar in San Diego March 2-5 emphasizes pre-recorded programming, includes appearances by Herbert Granath, ABC Video Enterprises; Joe Bellon, CBS News; Bruce Barnett, Time-Life Films; Lawrence Hilford, Columbia Pictures; Steve Wilson, Fotomat; James Jimirro, Walt Disney Productions; Robert Mitchell, Pickwick International; Robert Peters, Paramount; Steve Roberts, 20th Century-Fox; Morton Fink, Warner Home Video. Discovision Assoc. & Thomson-CSF will demonstrate disc systems, Philips its Video 2000 VCR. National Assn. of Recording Merchandisers expects to have 10-12 software exhibitors among 90 at Las Vegas meeting March 23-26, says Paramount and Media Home Entertainment already have reserved space. NARM claims more than 50% of members sell either blank or recorded videocassettes.

Japan soon will lift restrictions on sale of VLSI technology owned by private companies or govt. agencies to foreign firms, MITI says. Japan is considered leader in field as result of govt.-sponsored 4-year \$130-million development. Japanese have about 700 VLSI patents, and while most are company-owned and available to foreign licensees, some of key patents, jointly controlled by MITI, have been withheld.

"When you can read this message, your heads are clean." That legend appears on TV screen when new 3M head cleaner is used in VCR. It will be available in Beta & VHS formats.

Cassette rental library of Vidamerica will include Moscow Olympics if U.S. doesn't boycott summer event. Video Corp. of America subsidiary made programming deal with Satra, U.S. trading company which acquired non-broadcast rights, but political situation forced delay of formal announcement. ABC Video Enterprises has arranged for release of 1976 Winter & Summer Olympics and 1980 Winter Olympics in Lake Placid next month (Vol. 19:52 p8). Vidamerica plans to test retail rentals of present catalog this quarter, used N.Y.'s Crazy Eddie chain in limited effort 6 months ago. All 20 United Artists features, basis of program, will be available to club members by May. VCA says there's now ample supply of Sony SL-5400 VCRs, with which Vidamerica memberships are being offered (Vol. 19:19 p11). Shortage had slowed club growth. Idea is to provide premiums—e.g., membership, discounts—with each of 50,000 machines. Dealers had been asked to buy enclosure materials, but objected, now receive them free. VCA expects to identify total of 100,000 prospective customers by midyear.

Mergers & acquisitions: Warner Communications & Toshiba are vying for purchase of Maruman IC, a small, Japan-owned producer in Sunnyvale, Cal. Maruman has been supplying ICs to Warner's Atari, and would give game & computer maker in-house capability. Toshiba also has been buying from Maruman. . . North American Philips has agreed to acquire Globe-Union's Centralab Div., manufacturer of capacitors, for undisclosed cash sum. G-U is subsidiary of Johnson Controls. . . Arrow Electronics has acquired fellow parts distributor Cramer for about \$4.5 million, essentially book value. Over last several years, Arrow bought parts of Cramer.

RCA has acquired 4 titles from TV Cinema Sales Corp. for Selectavision disc release, including "Stage Coach," "Long Voyage Home," "Foreign Correspondent," "To Be or Not to Be." Time-Life Video reportedly is negotiating with TV Cinema for use of several of syndicator's 35 titles. In another distribution deal, Warner Home Video movies available from Fotomat (Vol. 20:2 p13) can only be purchased, not rented.

Pre-recorded cassette suppliers in Europe are listed in brochure from Home Video Information Centre Ltd., Box 125, Coulsdon, Surrey, CR3 9UU, England. West Germany has 44, Great Britain 12, France 6, Netherlands 4, Denmark & Norway one each.

Customs Court Act passed by Senate would eliminate jurisdictional confusion by replacing present Customs Court with new Court of International Trade having undisputed authority over all foreign-trade-related cases. No similar bill has been filed in House.

China's first high-speed audio tape duplication equipment has been installed in Canton Province by Cetec Gauss, L.A. China plans to produce music & educational tapes in cassette & open-reel for domestic & export markets.

GTA POST-MORTEM: GE & Hitachi were prepared to quit b&w TV production in U.S. and even off-shore, if Justice Dept. would agree to withdraw opposition to planned joint U.S. TV production & marketing venture, General TV of America (GTA). Barring that, they would have abandoned venture idea in favor of Hitachi's buying equity interest in GE's TV operation. Those are among facts in Justice's file on rejected 1977 venture proposal (Vol. 17:50 p7), obtained by us under Freedom of Information Act.

Heavily censored file indicates key obstacle to formation of GTA was JD's instance of looking at TV market as whole, with color & b&w combined, in deciding whether merger of GE & Hitachi U.S. TV operations would violate antitrust laws. GTA would have been 50-50 venture, with GE contributing Portsmouth, Va. receiver plant and Syracuse color tube plant, as well as parts & chassis operation in Singapore. Hitachi would supply cash & technology, GTA would produce & import sets for ongoing separate GE & Hitachi sales organizations.

In letters to JD urging that color & b&w be considered different markets, GE said that based on EIA dollar-value totals it held 9.1% of b&w market, and Hitachi 3.3%, in 1977, and that respective shares in first half 1978 were 10.7% & 3%. In color, however, GE had just 6.4%, Hitachi 1.8% in 1977, with first-half 1978 at 8.5% & 2%. GE said unit market shares in color were higher, but since neither company was as strong as others in console business, it felt value shares gave truer relative position.

In April 1979, GE told JD of willingness to have GTA drop b&w (move wouldn't have affected any Hitachi-owned production). GE later came in with offer to have GTA end involvement with b&w, but not until expected increase of color output at Portsmouth was enough to avoid need for layoffs, adding it might have to buy b&w from some other source to meet full-line demand of customers.

But departure of Admiral from color business by March 1978, and Montgomery Ward's subsequent selection of GE as major supplier of private-label color sets (120,000 annually, including 60,000 consoles, according to industry source quoted in file), apparently ended any serious JD consideration of plan. Moves resulted in both increase in GE's color market share and in concentration of market share accounted for by half-dozen largest firms. GE's counter-argument that GTA would provide meaningful competition to giants RCA & Zenith was dismissed out of hand.

Flurry of memos & meetings in Nov. 1978 marked peak period of activity in case. It was then Hitachi brought up possibility of making \$19.15-million equity investment in return for right to buy 100-150,000 sets annually from GE, rather than enter venture. Offer wasn't definitive. [In Dec. 1977 we cited reports GTA would be capitalized at \$38.5 million (Vol. 17:52 p10), and size of proposed Hitachi investment conforms to that total.]

During same period, GE representatives said company had tried & failed to find buyer for TV business, and that if GTA formation were disapproved it might have to shut operation down, though there

were no firm plans to do so.

At least up to Nov. 13, 1978, GE & Hitachi bombarded JD with statements and supporting data to prove that Hitachi couldn't become viable independent competitor in U.S. color market, because its low market share, limited distribution and unfavorable political climate would make it impractical & uneconomic to build U.S. color TV plant. On Nov. 27, JD rejected venture proposal. On Dec. 6, GE attorney James Bruce told JD Hitachi was disappointed, "will now probably build its own TV plant," agency memo says. In April 1979, Hitachi formally announced plan to construct \$4-million, 970,000-sq.-ft. color plant in Compton, Cal. Production in temporary facility started last fall.

Reply deadline for Japanese TV importers named in Justice Dept. TV dumping-duty collection suits filed last Sept. (Vol. 19:39 p8) has been postponed 45 days to Feb. 29. Justice says delay was necessary because Customs hasn't yet provided final amounts assessed against all defendants. When started, suits were for amounts Customs levied March 31, 1978 on pre-July 1973 shipments. As result of favorable decisions on protests, most importers have had assessments lowered, and JD wants to amend complaints accordingly before importers respond.

Exemption for TV from mandatory energy consumption standards was requested by EIA Consumer Electronics Group at DOE hearing last week. To support bid for exclusion, EIA noted TVs were exempted when Cal. adopted energy efficiency standards for appliances, as well as from FTC appliance efficiency labeling requirements. EIA also expressed opposition to "vague new proposals for improvements in thermal design" as way to cut TV receiver energy consumption (Vol. 19:53 p11). DOE extended comments deadline on proposed standards to April 30.

Color TV subassembly production workers who lost jobs at Zenith in Chicago & Springfield, Mo. were declared eligible to receive import adjustment assistance by Labor Dept. LD said Zenith has cut domestic parts production in favor of importing. At same time, agency denied help for those formerly engaged in final assembly of color TV, noting that imports of directly competitive complete sets have been declining. LD announced opening of aid eligibility investigation for former Capehart workers in N.Y.C. & Norwich, Conn.

Allied Artists' sale of video, TV & movie operations to Lorimar Productions for more than \$7 million (Vol. 19:50 p12) received approval of both boards but still requires Bankruptcy Court approval. Allied Artists Video exhibited at CES, claims profits on 1979 sales of \$2 million despite uncertain financial status.

GE acquired exclusive license from Sanyo to produce & sell rechargeable lithium batteries in U.S., also will import & market Sanyo-made batteries. Contract runs through mid-1981.

1979 AT-A-GLANCE: Here are EIA's official figures on consumer electronics sales for 1979, month by month, with 1978 comparisons:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1979	1978	1979	1978	1979	1978
January	967,716	932,933	622,111	618,963	345,605	313,970
February	1,176,201	1,102,359	711,411	702,513	464,790	399,846
March (5 weeks)	1,646,125	1,572,295	1,026,648	966,326	619,477	605,969
April	1,009,576	1,081,687	620,781	698,256	388,795	383,431
May	1,025,798	1,041,606	651,462	673,632	374,336	367,974
June (5 weeks)	1,559,486	1,434,566	995,931	918,622	563,555	515,944
July	1,058,089	1,123,023	686,629	668,170	371,380	454,843
August	1,182,047	1,214,056	686,316	777,639	495,731	436,417
Sept. (5 weeks)	1,748,671	1,876,071	1,055,185	1,208,170	693,486	667,901
October	1,443,131	1,474,949	882,758	913,348	560,373	561,601
November	1,562,322	1,611,684	888,826	990,331	673,496	621,353
Dec. (5 weeks)	1,722,006	1,835,504	1,018,429	1,100,349	703,577	735,155
TOTAL	16,101,088	16,300,723	9,846,487	10,236,319	6,254,601	6,064,404

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1979	1978	1979	1978	1979	1978
January	1,745,779	1,624,253	1,139,489	1,126,588	1,209,595	937,678
February	1,867,614	2,272,816	1,301,669	1,693,239	1,104,560	984,661
March (5 weeks)	2,131,427	3,310,381	1,580,741	2,212,691	1,337,786	1,282,652
April	1,315,792	1,576,622	923,037	1,039,824	1,023,808	1,120,354
May	1,939,939	2,094,371	1,569,680	1,602,191	1,048,127	1,053,453
June (5 weeks)	4,087,794	4,999,086	3,571,524	4,314,570	5,301,687	6,146,069
July	2,693,213	3,504,331	2,300,602	2,977,711	747,092	786,190
August	2,513,338	2,689,546	2,111,196	2,069,863	780,696	840,153
Sept. (5 weeks)	3,081,864	3,494,806	2,634,871	2,775,461	1,113,456	1,300,225
October	1,829,072	2,343,897	1,493,219	1,665,198	955,081	1,044,109
November	2,089,758	2,241,584	1,763,745	1,558,541	815,089	994,519
Dec. (5 weeks)	2,018,463	2,326,062	1,382,302	1,502,684	1,032,293	1,177,513
TOTAL	27,314,053	32,477,755	21,772,045	24,544,721	12,381,476	12,668,490

* Includes table, clock & portable.

** Included in home radio; excludes auto radios, radio-phones & radio-recorders.

HOME VCR SALES TO DEALERS

Month	1979	1978	Month	1979	1978
January	23,330	13,567	July	24,216	20,862
February	32,881	14,954	August	36,219	22,478
March (5 weeks)	43,135	27,415	Sept. (5 weeks)	53,766	56,759
April	21,328	27,221	October	61,389	56,545
May	26,270	27,994	November	56,771	49,980
June (5 weeks)	33,500	31,339	Dec. (5 weeks)	62,593	52,816
			TOTAL	475,396	401,930

Home earth station prices have been cut \$2,000 by distributor Channel One, Newton, Mass. Five-meter dish now sells for \$16,500 installed, 3-meter for \$13,500 installed. Customers must provide concrete pad. Multi-unit dwellings carrying more than one signal must spend about \$5,000 for splitting, receiving & modulating equipment per extra channel. Reason for price drop is lower-cost receivers & low-noise amplifiers. Antenna prices have remained about level during past 6 months, says company.

Ford is spending \$20 million on 5-year expansion of electronics in Brazil, where it still produces Philco consumer electronics. Among plans: Five-fold expansion of color production capacity to 200,000 units annually at plant in Manaus free-trade zone; start-up of audio equipment production under license from Hitachi; acquisition of RCA technology to broaden semiconductor manufacturing.

VCRs, primarily 3/4", showed "strongest" product gains in institutional audiovisual business during 1970s, according to Hope Reports, Rochester. Market research company estimated total A/V sales in 1979 at \$3.3 billion, 13% ahead of 1978, double 1969's \$1.5 billion.

TAIWAN EXPANSION: Ambitious \$333-million, 10-year electronics industry technological development program is being considered by Taiwan. Preliminary plan, based on report prepared by Stanford Research Institute, calls for govt. & private R&D outlays equal to 3% of production value by the end of 1988, compared with 1.5% last year.

In accordance with report, product areas targeted for expansion effort are consumer electronics, telecommunications equipment, computers & semiconductors. Individual products seen providing greatest development potential include color TV, color cameras, VCRs, videodisc players, digital audio products, personal computers, energy monitoring & management systems. Economics Planning & Development Council says it expects govt. spending for electronics R&D to rise to \$55 million in 1983 from \$14 million last year, hit \$165 million in 1988. At same time, it sees \$8 million spent by industry in 1978 climbing to \$37 million by 1983, \$165 million by 1988.

While Taiwan will strongly encourage local companies to undertake own development activities, it plans to acquire much needed advanced technology from overseas. There's likelihood Taiwan will establish semiconductor R&D firm in U.S. or Europe.

Taiwan's electronics industry now consists of 1,250 foreign & domestic firms employing about 270,000 with total invested capital of some \$600 million. Electronics exports this year are expected to reach \$2.2 billion, compared with just under \$2.1 billion in 1978. Relatively low 6% growth rate is being attributed in large part to quota limiting exporting of complete color TVs to U.S.

Ad Notes: Mattel Electronics appoints Daniel J. Edelman, L.A., for PR... Panasonic signs rock group Earth, Wind & Fire to promote audio products... Matsushita regained role as Japan's largest advertiser in year to March 1979 with outlay of \$91.7 million, up 25% from preceding year when it placed 2nd for first time in 10 years. Electronics-appliance firms took 6 slots in Nikkei Ad Research's annual ranking of top-20 advertisers. Others: Toshiba (4th), \$71.6 million, up 29.5%; Hitachi (8th), \$48 million, up 12.8%; Sharp (9th), \$47.8 million, up 26.3%; Sony (14th), \$38.5 million, up 27.3%; Mitsubishi (15th), \$38.3 million, up 26.3%. Magnavox has narrowed agency search for \$8-million consumer electronics account to 7, including Esty, which currently has account... Michel-Cather, non-consumer ad & PR agency, has closed... Craig signs sportscaster Jim McKay as spokesman for pocket computer... Aiwa appoints Sasaki & Assoc., replacing Henderson & Draper on estimated \$500,000 account.

Matsushita reported parent-only net rose 15.3% to \$267.4 million, on 8.5% sales gain to \$7.08 billion in year to Nov. 20. Sales of electronics were up 7% to \$3.1 billion. Volume increase was all from home-market activity as exports declined. Matsushita said it's targeting 11.3% gain in pre-tax profit to \$530 million, 9.5% sales increase to \$7.75 billion, for fiscal 1980... Radio Shack Dec. sales in U.S. rose 8% to \$178.7 million, parent Tandy reports.

Consumer Electronics Personals

Richard Kelly resigns as gen. mgr. of Video Corp. of America's consumer marketing subsidiary Vidamerica to become consultant. . . **Kate Bonniwell** advanced at Time Inc. from Money magazine circulation dir. to Time-Life Films vp & Video Div. consumer mktg. dir., responsible for Video Club; **William Ambrose** promoted from TLF business & educational sales mktg. dir. to Video Div. institutional sales vp; **Bonniwell, Ambrose and Jay Walkingshaw**, recently-named Video Div. vp-gen. mgr., report to **Bruce Barnet**, TLF senior vp.

Conrad Jutson, ex-Texas Instruments, one time Toshiba, joins Atari as personal computer sales & mktg. vp, replacing **Robert Hovee**, resigned; **James Fallas**, TI Personal Computer Div. mktg. programs mgr., assumes Jutson's former product mktg. responsibilities. . . **Benjamin Rosen** leaves electronics analyst post at Morgan Stanley & Co. to establish Ben Rosen Assoc. (1251 Ave. of Americas, N. Y.), consulting & venture capital organization.

Jack Dodgson, BSR (USA) engineering dir., named asst. vp; **Steve Gastaldello** advanced from Engineering Dept. post to Consumer Products Group as national sales training mgr. . . **Garrett Burkhart**, former electronic parts & components buyer, promoted at Radio Shack to buyer of tape, tape equipment, accessories, headphones, mikes & PA equipment, replacing **Mark Yamagata**, now Tandy International Electronics (U. K.) mdsg. mgr. . . **Rick Pines**, ex-JVC, joins Aiwa as audio product national training mgr.

Richard Pinto resigns as RCA Solid State Div. vp to rejoin Rockwell semiconductor operations as microelectronic devices vp-gen. mgr. . . **James Coe**, ex-Intersil, appointed Fujitsu Microelectronics mktg. dir. . . **Michael Hanley** appointed gen. mgr. of new BASF Systems Peripheral Products Div.

DISCS FOR SELECTAVISION: At least 2 brands of videodisc will be available to SelectaVision players as soon as marketing begins. Although CBS doesn't expect to be producing discs for RCA system until 1982 (Vol. 20:2 p6), part of deal involves custom-pressing by RCA for marketing & distribution by CBS under own label in interim. RCA is extending same offer to other major record companies, and parallel proposal to prospective player licensees—to make available reasonable number of private-label players at outset—during negotiations now in progress.

Meanwhile, both Matsushita & CBS denied published reports & rumors following CBS-RCA agreement that: (1) Agreement had been reached with CBS to also press discs for Visc-O-Pak system. (2) Matsushita would start videodisc player & disc sales next fall.

First public recognition by a major manufacturer of attempts to undercut videodisc by cutting VCR prices came from RCA Consumer Electronics Vp-Gen. Mgr. **Jack Sauter** at CES seminar. "It would be suicidal," he said, "if the inherent strengths of the VCR product are reduced in number & quality simply to achieve a more competitive pricing position with videodisc." There's room for both, he said.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Automatic Radio			
1979-qtr. to Dec. 31	4,452,000	108,000 ^a	.04
1978-qtr. to Dec. 31	3,579,000	(205,000)	--
Craig			
1979-6 mo. to Dec. 31	67,992,000	1,338,000	.44
1978-6 mo. to Dec. 31	64,166,000	2,246,000	.72
1979-qtr. to Dec. 31	31,889,000	338,000	.11
1978-qtr. to Dec. 31	27,345,000	317,000	.10
Filmways			
1979-9 mo. to Nov. 30	190,147,000	7,168,000 ^a	1.25
1978-9 mo. to Nov. 30	115,726,000	6,538,000	1.40 ^b
1979-qtr. to Nov. 30	74,931,000	1,918,000	.31 ^c
1978-qtr. to Nov. 30	41,144,000	2,889,000	.57 ^b
Scientific-Atlanta			
1979-6 mo. to Dec. 31	85,972,000	5,199,000	1.12
1978-6 mo. to Dec. 31	57,231,000	3,431,000	.83
1979-qtr. to Dec. 31	46,501,000	2,950,000	.62
1978-qtr. to Dec. 31	30,879,000	1,974,000	.45
Tandy			
1979-6 mo. to Dec. 31	738,633,000	59,879,000	2.35
1978-6 mo. to Dec. 31	658,252,000	50,448,000	2.01
1979-qtr. to Dec. 31	447,664,000	40,585,000	1.60
1978-qtr. to Dec. 31	395,269,000	35,575,000	1.36
United Cable TV			
1979-6 mo. to Nov. 30	20,561,000	2,982,000	.73
1978-6 mo. to Nov. 30	13,283,000	1,658,000	.41 ^b
1979-qtr. to Nov. 30	10,559,000	1,557,000	.38
1978-qtr. to Nov. 30	6,856,000	913,000	.23 ^b
Walt Disney Productions			
1979-qtr. to Dec. 31	185,483,000	25,653,000	.79
1978-qtr. to Dec. 31	154,672,000	18,007,000	.56

Notes: ^aIncludes special credit. ^bAdjusted. ^cRestated.

'VIDEO SOCIETY': National Video Group in L. A. has formed Video Society to market pre-recorded cassettes, floated idea at Winter CES to gauge reactions of dealers & distributors who would share in revenues. Idea is to enlist cooperation of retailers, hesitant about stocking software, without requiring investment in cassette inventory. VCR customers would become candidates for Society with hardware purchase. For \$69.95 annual membership fee, buyer receives choice of feature film from NVG catalog plus \$70 worth of discounts on future purchases, "log book" to hold list of titles, monthly newsletter with 15-25 new programs available by mail.

Retailer making VCR sale gets 10% of whatever Video Society member buys, says NVG Pres. S. Gerald Stone. Another 1% goes to distributors responsible for stores' participation. NVG will back plan with national advertising & point-of-sale campaigns, expects to sign 7,200 dealers in 1980, have 30-40,000 Society members and pay over \$750,000 in what Stone calls "annuities." Video Warehouse, acquired by NVG last fall (Vol. 19:37 p9), will handle fulfillment and duplication of titles it owns.

NVG has spent \$750,000-\$1 million so far on Society, plans to invest at least that much every 4-6 weeks in anticipation of member purchases.

WEEKLY

Television Digest[®]

with
consumer
electronics[®]

35th YEAR OF PUBLICATION
35
1945-1980

The authoritative service for broadcasting, consumer electronics & allied fields

JANUARY 28, 1980

VOL. 20, NO. 4

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

RKO CASE—\$600 MILLION FINE? FCC votes 4-3 to take away 3 TV stations; another, plus 12 radio, possibly also cable, in jeopardy. Litigation for 2-5 years in prospect. Possible next steps. (P. 1)

CODES, CONTRACEPTIVES & HYGIENE study voted by NAB board. Thurston DSA winner. AM 9-kHz opposed. Actions on satellite-to-home, budget, financial confidentiality, deregulation and cable dominate. (P. 3)

OLYMPIC \$ DOWN DRAIN? NBC makes contingency plans as Carter calls for boycott if Soviets aren't out of Afghanistan by Feb. 20. ABC wins 1984 Winter Olympic rights for \$50 million. (P. 5)

COMMUNICATIONS BUDGET—1981: Little is added to 1980 figures in budget presented to Congress today. (P. 6)

NAB BOARD NOMINEES: Ballots to be mailed Feb. 8 for election to TV & radio boards. (P. 7)

TV EARTH STATIONS: FCC expected to approve Western Union sharing with PBS, opening way for commercial TV use. (P. 7)

RCA AMERICOM to announce go-ahead for SMARTS syndicated TV distribution system at NATPE conference in San Francisco. (P. 7)

RKO CASE—\$600 MILLION FINE? Harshest penalty in FCC's history—and one of most severe financial penalties ever levied by U.S. govt.—was imposed by FCC on RKO General as it voted 4-3 to take away WNAC-TV Boston, WOR-TV N.Y. & KHJ-TV L.A. And, if Commission stays on same course, WHBQ-TV Memphis & 12 radio stations are in like jeopardy. But FCC was hesitant about properties other than first 3 TV stations, saying it would request further pleadings from RKO and other interested parties. Furthermore, though Commission said nothing about cable systems, which company owns to tune of more than 200,000 subscribers, these have various licenses, too. Does "taint" extend to cable, too? No one has said anything.

Add it all up, and there well could be \$600 million at stake, as dissenting Comr. Quello estimated. And, if appeals run their course—as they're certain to do, taking at least 2 years—values could escalate another \$100-\$200 million.

You're familiar with charges in 11-year-old case, including: Parent General Tire illegal campaign contributions, improper payments abroad, pressures on suppliers to place advertising on RKO stations, "reciprocal dealings," misrepresentations to FCC, etc.

Consumer Electronics

MATSUSHITA CHOOSES grooveless capacitance videodisc system developed by JVC, seeks to have it made Japan standard. Software considered major problem for U.S. CBS starting pre-pilot work on videodiscs. (P. 9)

TV DUMPING CASE procedures & policies of Treasury & Customs being reviewed as Commerce takes over enforcement. (P. 10)

RECORD COLOR WEEK: Distributor sales in 3rd Jan. week set record for period, bringing month-to-date sales close to 1979 figure. (P. 10)

RESTRUCTURING OF U.K. electronics industry continues. Racal seeking Decca, seen pulling it out of TV & audio. Mullard & Garrard trimming staffs. (P. 12)

COLOR TV PRICES down in Penney catalog, unchanged in Ward's, Toshiba raises prices 2%. Sony cuts 3 sets in Jan.-Feb. promotion. (P. 13)

NOV. TV IMPORTS topped million on strength of b&w increase. Country-by-country results for 11 months. (P. 13)

GE COMMITTED to continuing involvement in TV, says Vice Chmn. Welch; notes major advances in sales, profits, quality. (P. 15)

Decision shocked just about everyone. Scarcely anyone thought Commission would go that far. Majority comprised Ferris, Fogarty, Brown & Jones. Dissenters were Quello, Washburn & Jones. Jones had swing vote. Position of other 6 was known. Jones was target of fervent lobbying by her colleagues before Commission meeting on case—both sides—and they came away knowing she'd vote for disqualification. During closed-door debate that raged 5 hours Jan. 24, she didn't say much. Quello carried pro-RKO ball. Deputy Gen. Counsel presented staff position—adamant on disqualification of RKO. It's understood Gen. Counsel Robert Bruce bowed out because he once was in private practice at Hogan & Hartson, then involved in case.

Contemplation of what comes next includes: (1) RKO will go to court, of course, perhaps seeking FCC reconsideration first. (Sole comment from General Tire spokesman was that decision is "shocking," would be appealed.) Normal appeal could take 2 years. If courts send case back to Commission, another 3 years could well pass.

(2) Republicans might win Presidency; normally, in change of parties, FCC chmn. resigns. RKO could hope that Commission would recall case, take new & favorable vote. If no one resigns because of election or other reason, RKO couldn't look for possibility of FCC reversal until 1983, when Comr. Fogarty's term is up. Next 3 expirations are Quello, Lee & Washburn (1980, '81 & '82), and RKO has those votes.

(3) Suppose politically powerful minority group arose, urged FCC to modify its "distress sale" policy and let them buy stations at discount? Policy now prohibits such sales after a hearing, and RKO has been through hearing. However, we're advised, black Comr. Brown, during last week's debate, specifically urged that no distress sale be considered. Furthermore, New England TV—to which RKO has agreed to sell WNAC-TV for \$54 million—has minority representation. (New England TV, which comprises 2 former challengers of WNAC-TV renewal, hasn't commented yet, but it's known to believe it's sole entity legally entitled to buy station or apply for its channel if it becomes vacant. It has called news conference for Jan. 28.)

(4) Political pressures will become excruciating. Most broadcasters will rush to RKO's side. At Palm Springs meeting, NAB board expressed "great concern" but withheld further comment until staff studies decision. (Commission issued only 2-page announcement; full text isn't promised for 2-3 weeks.) Many broadcasters shuddered as FCC visited sins of parent General Tire on RKO—despite fact SEC & Justice Dept. were satisfied with consent decrees. Clamor from Capitol Hill will be something to witness.

General Tire stock took a bath. As FCC meeting ended shortly before 4 p.m. Jan. 24, Chmn. Ferris told colleagues he was going to call SEC chairman and ask for suspension of trading on West Coast. Next day, trading on NYSE didn't start until afternoon. It ranged 18 to 18-7/8, closed 18-5/8, down 4-1/8.

In its public statement, Commission said: "The FCC concluded that the nature of scope of misconduct by RKO and its parent corporation, General Tire, was so extensive and serious and so unlike any other situation it previously faced that the FCC could not be assured that RKO could be trusted in the future to operate WNAC-TV in a manner consistent with FCC standards."

Dissenter Quello: "I believe the Commission is indulging in gross bureaucratic overkill. . . This type of charge and record couldn't possibly warrant even an indictment, let alone conviction in a criminal proceeding. Yet the potential fine could be over \$600 million. . . The sole judicial decision rendered in the 11-year proceeding was by the FCC ALJ who found the licensee qualified. . . There was no judicial finding of guilt or violation in either the Justice Dept. or SEC proceeding. . . [Decision] represents the type of bureaucratic oppression that is causing a public outcry for reform."

Dissenter Washburn: "An unprecedented and extreme action. . . The foreign payments, secret bank accounts, etc. of a corporate parent of a broadcast licensee bear little or no reasonable relationship either to the service rendered by the licensee's stations or to the Commission's regulatory function. In this case, these matters were properly dealt with by the Justice Dept. and the SEC. . . It derails a very good solution to the long-contested ownership of WNAC-TV in Boston, where agreement had been reached for a fine group of local citizens, New England TV. . ." Jones is expected to issue concurring opinion when full text of decision is out. No others indicated plans for separate opinions.

CODE, CONTRACEPTIVES & HYGIENE: Seeking an "intelligent decision," NAB board in Palm Springs last week authorized outside study of public attitudes toward acceptance of contraceptive advertising on TV & radio. Research also will include questions on what public thinks about personal product advertising.

NAB will allocate up to \$85,000 for study, will solicit more funds from station groups. Proposal for study of contraceptive ads was by far most controversial issue at Jan. 22-25 board meetings (Vol. 20:2 p1), was considered dead issue until personal products were added to proposed study by Walter Windsor, WFTV Orlando, at closing session of joint board. Radio & TV boards had debated issue separately, finally approved plan for concurrent but separate studies of contraceptive and personal product ads on 27-11 vote. Opposition was led by Leslie Arries, WIVB-TV Buffalo. Vote for study was not along any particular lines—with several radio and TV stations for, some opposing and some small market stations for, some opposed.

NAB Chmn. Thomas Bolger said personal products were added because "we didn't have enough research into the issue" before Codes approved commercials for those products more than 15 years ago. Such ads were highly controversial then, and some 3 dozen stations resigned from TV Code; KIMA-TV Yakima was expelled for accepting Preparation H commercials. Major concern now is ads for feminine hygiene products.

NAB officials stressed that approval of concurrent studies in no way constitutes Code endorsement of contraceptive advertising. "The contraceptive thing has been kicking around for 9 years and the only way we can make an intelligent decision in the public interest is through valid research," Bolger told us. NAB Exec. Committee and Research Vp Larry Patrick will keep close tabs on studies by outside firms still to be picked.

Highly popular decision of board was selection of Donald Thurston for 1980 Distinguished Service Award, to be presented at NAB convention in April at Las Vegas. Thurston is immediate past NAB chmn., was driving force in setting up NAB task force to help minorities acquire stations. Runners up to Thurston were Bonneville Bcstg. Pres. Arch Madsen and ABC Pres. Elton Rule.

Board also accepted without change recommendations of Evaluation Committee headed by TV Chmn. Robert King (Vol. 20:2 p1). Report sees NAB pres. as industry's "super lobbyist... spokesman [and] spiritual leader" with day-to-day operations headed by exec. vp-gen. mgr. Committee said size (15 members) of NAB TV board is just right, but that "there is some feeling, however that the... radio board is too large [30 members]. We recommend that this matter be given serious study as soon as possible."

King's committee also proposed that similar group to evaluate NAB be set up every 3 years and that "blue ribbon committee of industry leaders" be established "to take a probing look at the radio & TV industry on a long-range basis [10 years or longer]... to effectively deal with the future." Report was somewhat critical of internal communications at NAB, concluding: "A good many people, a good share of the time, are left in the dark about what's going on in areas which impact them" and that there is considerable duplication of effort.

Expressing concern that FCC favors reduction of AM bandwidth to 9 kHz, radio board again called for activation of joint govt.-industry advisory committee before Region II conference this spring "to prepare in-depth studies of various methods of providing full time service without significantly diminishing the service of other classes of stations." Board said Commission reached position—which also is expected to be backed by State Dept.—without "the benefit of adequate engineering and economic studies."

Board discussed advisability of sending commercial broadcaster to conference starting March 10 in Buenos Aires to protect interest of U.S. radio stations. As result, NAB Pres. Wasilewski is expected to attend.

Pitch on behalf of RAB—made by ABC's representative Ben Hoberman and supported by other radio networks—that NAB contribute directly to RAB's "Radio is Red Hot" campaign was again rejected. Hoberman sought total of \$25,000, including \$17,000 from Radio Month funds. There was concern among board members that spots being used in campaigns urged that ad

money now allocated to TV be shifted to radio, and proposal was defeated 16-10. Radio Chmn. Arnold Lerner stressed that NAB "fully supports" RAB campaign but wants to keep control of how money is spent and that \$17,000 will be used on "Red Hot" program.

Growth of radio networks is causing problems for radio board, which is limited in bylaws to 30 members. Historically, each radio network has had a dir., but new specialty networks can't be accommodated under bylaws. Also factor is fact that Futures Committee has recommended a reduction in size of radio board (Vol. 20:3 p3). Bylaws Committee has given board number of alternatives but decision has been put off until June.

In other actions, joint board: (1) Adopted resolution stating that "direct satellite-to-home broadcasting cannot be authorized by the FCC unless Congress first approves this mode of non-local program transmission and determines the terms and conditions under which it may become operational." (2) Only change in budget, totaling more than \$7 million, was allocation of \$20,000 for Legislative Liaison Committee. (3) Resolved to oppose "as a matter of high priority any proposal, either in Congress or at the FCC, to require broadcasters to publicly disclose private financial information." NAB also said that it would petition FCC to delete current annual financial report from agency's rules. (4) Told NAB staff to seek ways "to improve member participation in a letter-writing campaign in the matter of radio deregulation and other issues." Board was told that only 379 stations have sent copies of their letters to FCC in support of deregulation.

(5) Voted to send key staff members to member stations to "eavesdrop and audit" operations for several days to help executives learn the ins and outs of station operation. (6) Will solicit "loan executives" from member stations to spend several weeks at NAB to learn operations of association. (7) Formalize procedure to hold 3rd board meeting regularly each year, generally early fall in Washington. In 1979, 3 special board meetings were held at unbudgeted cost of \$34,700. (8) Approve UHF Committee presentation to FCC on cable deregulation. Chmn. Donald Curran, Field Communications, said that main pitch to Commission will be an attempt to retain syndicated exclusivity, that NAB has given up hope of retaining any restrictions on distant signal importation.

Fears of AT&T entering cable TV programming business have been mostly put to rest, following amendment last week to telecommunications bill being marked up by House Communications Subcommittee. Substitute bill introduced first day of mark-up contained language (supported by NCTA) barring "dominant carrier" (AT&T) from providing "any cable TV service or cable TV programming through any facility which is owned or controlled by such carrier." Bill doesn't prohibit AT&T from providing facilities for cable TV transmission, providing they are leased to non-affiliated programmers. Bill also permits AT&T to provide broadband telecommunications services not involving programming, and to transmit TV & radio signals as carrier. NCTA Pres. Thomas Wheeler tells us he's now satisfied that bill won't alter status quo.

"Lotteries and Contests: A Broadcaster's Handbook" updates earlier NAB station handbook on federal lottery laws, reviews recent FCC efforts in field, gives examples. Written by NAB intern Cathy Blake, report, 60 pp., is \$3 for NAB members, \$9 non-members, from NAB Publications Office, 1771 N St. NW, Washington 20036, 202-293-3529.

Govt. affairs booklet published by AAAA covers FCC, FTC & FDA, discusses likely advertising regulation issues "in the near future." It's \$10, 200 Park Ave., N.Y. 10017, 212-682-2500

New spectrum management techniques based on economic competition would make more efficient use of spectrum than current system of government regulation, NTIA study says. "In the current administrative process, the high stakes often mire the decision-making process in lengthy determinations of public interest and private rights," study says, suggesting auctions of spectrum and satellite orbital assignments as alternative. NTIA chief Henry Geller said report "presents ideas worthy of further consideration because they allow the users a new level of involvement in the spectrum management process." He said NTIA will "carefully consider these concepts in the next few months and will make recommendations regarding their application." Report was prepared for NTIA by Mattech, Princeton, N.J. Copies: Donald Ewing, NTIA, 325 Broadway, Boulder, Colo. 80303, 303-499-1000, ext. 4205.

Cable signal leakage advisory committee report released by FCC shows it's possible to identify cable systems which could cause harmful interference to aeronautical radio services, urged adoption of new rules to prohibit cable operations on aeronautical frequencies based on system's leakage control performance.

NAB seminar on management development has 20 openings; Feb. 10-15, at Purdue U., \$525. Details: Janis Sharpe, 202-293-3557.

OLYMPIC \$ DOWN DRAIN? U.S. boycott of Moscow summer Olympics, and resulting non-coverage by NBC, appeared all but certain last week as President asked U.S. Olympic Committee not to send team if Soviets don't get out of Afghanistan by Feb. 20, while House quickly ratified resolution expressing similar sentiments. NBC said it would be "guided by the U.S. government's regulations and policies" in deciding on coverage, and restated earlier assurances of sufficient backup programming (Vol. 20:3 p2). NBC also pulled out of bidding for 1984 Winter Olympics at Sarejevo, Yugoslavia; ABC won rights with bid reportedly over \$50 million.

NBC has begun making contingency plans for various possible boycott situations. Most difficult would be if Carter orders boycott but USOC tells athletes to go to Moscow. Though its statement said "there is a higher calling involved than NBC's own interests," company can't collect on insurance unless USOC agrees to boycott. Loss of ad revenue from Games could reach \$20 million, considering NBC was selling Olympic spot minutes for up to \$165,000, while normal summertime rate is about \$75,000. In 1984 Winter Olympics bidding, NBC asked for 60-day extension due to unsettled situation, didn't get it, withdrew.

Meanwhile, NBC won't be only U.S. company hurt financially by U.S. boycott. Ad campaigns for dozens of firms must be redesigned at cost of millions, and travel agencies wonder whether Soviets will refund money if U.S. tourists cancel Moscow trips.

Captioned programs will be broadcast beginning March 15 by ABC, NBC & PBS, same day Sears begins selling adaptors. National Captioning Institute says purpose of beginning before many adaptors are in place is testing. ABC & NBC plan 5 hours each weekly, PBS 6 (expanding later). Captioned shows include "ABC Sunday Night Movie," "Barney Miller," "NBC Monday Night Movie," and "Nova." Shows will be identified by special symbol in ads and listings. Stanley Gerendasy, ex-Cable TV Information Center, named engineering & development dir. of Captioning Institute.

C-SPAN's new service, telecasts of luncheon speakers at National Press Club, Washington, starts Feb. 1. Hour-long speech sessions, including Q-&-A, about 60 yearly, have these on tap: HUD Secy. Moon Landrieu, NBA Comr. Larry O'Brien, Attorney Gen. Benjamin Civiletti, House Majority Leader James Wright (D-Tex.), W. Germany's Willy Brandt (tentative). Sessions will be taped, telecast Fri. p.m. after House sessions, repeated Tues. before House sessions.

Times Mirror has been ordered by Conn. Div. of Public Utilities Control to sell cable systems in Meridian and Hartford or dispose of Hartford Courant. Agency determined ownership of systems and paper "negatively affected" public interest.

TvB started rating policy committee "to respond to broadcasters' ratings-related needs on a timely and continuous basis." Chmn. is Walter Schwartz, Blair TV pres.

Media concentration hearings of House Small Business General Oversight Hearings (Vol. 20:1 p5) last week drew handful of govt. witnesses. Highlights: (1) Subcommittee Chmn. LaFalce (D-N.Y.) said media concentration makes future of small business participation "bleak." (2) Small Business Administration said change of policy allowing SBA to make loans to media won't solve concentration problems, and change would pose threat to free flow of information. (3) GAO stated: "We believe the appropriate role of divestiture in broadcast regulation is a matter of judgment, since there is no conclusive evidence that newspaper-broadcast, TV-radio, and AM-FM co-ownerships provide better service, or that their divestiture would cause public harm." (4) Justice Dept. said: "It seems especially important that... mass media in the same markets be separately owned." (5) NTIA said concentration helps drive up ad costs and purchase prices of stations, asserted govt. should use technology and engineering to increase outlets, shouldn't impede new technologies & services.

NBC's 3rd & last of current regional TV affiliate meetings, in Dallas Jan. 24, featured Brandon Tartikoff in first appearance as NBC Entertainment pres. Among his points: (1) Under Silverman, network will stress "alternative program styles"—such as "Skag," "United States," "Pink Lady," etc. (2) Daytime schedule is getting "careful look," some game shows to be replaced by variety-talk and news. Sports chief Don Ohlmeyer pointed to progress in basketball & football, reviewed prime-time sports show starting in April, stressed amateur sports, saying people are "getting tired hearing about pros" and their big incomes. Affiliates were told that "Best of Saturday Night Live" would shift to "thematic" approach—such as Valentine Day show picking up past "features on love." Affiliates were promised that full night-by-night schedule for balance of first quarter would be released this week; affiliates were pleased with similar actions last quarter, saying it enhanced planning.

FCC Comr. Quello visited White House Jan. 21 to present case for reappointment for term ending June 30. Among Administration aides at meeting: Richard Neudstadt, Stephen Simmons, Henry Geller. Meeting was cordial—but no commitment either way. Meanwhile, Quello's friends say he continues to gain strong support, is relentless in pursuit of position. In industry, there's growing speculation that President Carter may leave Quello in slot until Nov. election, thus avoiding completely alienating votes on either side.

NTIA head Henry Geller has leveled volley at Congressional Research Service study (Vol. 19:49 p6) which said Congress, not FCC, has authority to change copyright policy. Main issue is retransmission consent, which Geller has backed repeatedly. Says Geller in letter to Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn. (who commissioned study): "The Commission has full authority to adopt retransmission consent as sound Communications Act policy under cases like Southwest Cable and Midwest Video II."

COMMUNICATIONS BUDGET—1981: Only modest increases in govt. spending on communications regulation are called for in Administration's budget for 1981 fiscal year starting Oct. 1. Larger increases are provided for international broadcasting. Budget will be presented to Congress today. Requests (1980 total in parentheses):

(1) FCC, \$77,142,000 (\$77,135,000). (2) NTIA, \$18,068,000 (\$17,742,000) plus \$23,705,000 for public telecommunications facilities program (unchanged). (3) FTC, \$72,558,000 (\$67,756,000). (4) CPB, \$162 million (\$152 million). (5) Board for International Bcstg. (Radio Free Europe & Radio Liberty), \$98 million (\$84.5 million), reflecting modernization of transmitter facilities. (6) International Communication Agency \$429,184,000 (\$403,117,000), for added foreign language VOA broadcasts, inflation in overseas operating costs.

National Religious Bcstrs. convention in Washington last week provided annual showcase for growing influence and wealth of Christian broadcasters. President Carter told meeting that "a TV station or the Oval Office is a powerful pulpit. Our influence as individuals can be greatly magnified and, as we realize the tremendous audiences that we have, humility does not come naturally." Sen. Hollings (D-S.C.), Senate Communications Subcommittee chmn., addressed luncheon for all 7 FCC members. Hollings took issue with negative statements by Sen. Goldwater (R-Ariz.) at INTV meeting in Houston (Vol. 20:3 p1) on possibilities of Communications Act revision in current session of Congress and reiterated support for selective radio deregulation. He said chief obstacle to communications legislation is telephone industry.

Multipoint distribution service (MDS), 3rd means of carrying pay TV after cable and STV, should double to about 700,000 subscribers by year-end, according to Mark Foster, Microband pres. Cost of installing MDS, including earth station, is \$250,000, with break-even at 3,000 subscribers, vs. up to 70,000 for STV, he says. More than 60 cities have MDS, most receiving satellite signals. Foster thinks 40 more will be on air in 12 months. Microband also has staked MDS claim for at least portion of so-called "digital termination services," in competition with AT&T and Xerox XTEN proposal.

NBMC asked FCC to reconsider Dec. decision abolishing Top 50 policy (Vol. 19:39 p4), stating that it "required no enforcement, it has occasioned little paperwork; it has produced substantial benefits and has harmed no broadcaster."

Minority employment program set up by WDEN-AM-FM Macon, Ga. satisfied FCC, which will renew licenses. Stations have hired 3 blacks since FCC ruled last year that blacks weren't represented adequately.

D.C. Court of Appeals has affirmed license revocation of WSIB(AM) Beaufort, S.C. by FCC. Commission took action in 1975 because of fraudulent billing and misrepresentations.

Elton Rule, ABC pres., speaking before Cal. Bcstrs. Assn.: "The broadcasting industry escaped most of the major economic shocks of the 1970s. The only serious setback was the loss of cigarette advertising as the decade began... The forecasters have a different fate in mind for us—abandonment. With all the new communications gadgetry that will be flooding the country, people won't have as much need for radio and TV... Is this the future? I don't believe it for a moment... Yes, there are probably some useful clues in the blue-sky proposals for the 'home communications centers' of the 1980s... The public does not care about what piece of equipment provides its information or its entertainment. It does care about the cost. And most especially it cares about the quality... For broadcasters, 1980 may not be an explosive year financially, but it will be a healthy one."

"Glaring oversights" of FCC children's TV study were described as "shocking" by NBC Pres. Fred Silverman, speaking to International Radio & TV Society. He criticized recommendation that stations present specified amount of educational programs on weekdays, saying: "There are a lot of proxy parents around telling TV how children should be educated, what values they should be taught, and how they should be entertained—and Washington has jumped in with both left feet." Silverman said NBC would present 20 prime time children's specials—"Project Peacock"—starting next year. He said 15 network-owned stations already are "all doing an outstanding job for young viewers."

Civil disaster frequency reallocation rulemaking has begun at FCC. Rulemaking would reallocate 2-10-MHz band, set standards for nationwide civil disaster radio response program. Planned frequencies for program: 1750-1800-kHz channels from Disaster Communications Service; 25 channels between 2-8 MHz from Police Radio Service; six 2-MHz frequencies from reserve group; access to other unspecified frequencies in 2-10-MHz.

Voter referendum in Little Rock overruled city board choice of Midwest America Cable Co. for CATV franchise. City hired consultant to select among 6 bidders; Midwest reportedly turned in one of higher bids but still got franchise. Cablecom and local minority group fought for referendum; vote was 7,279 against Midwest, 5,754 for—totalling 18% of city's registered voters, considered a high turnout for single issue referendum.

White male employment in cable dropped 1.1% to 62.2% in 1978 from 1977 figures, new FCC cable employment data shows. Report shows employment of white females increased by 0.3% to 26.1%; minority males by 0.6% to 8.2%; minority females by 0.1% to 3.4%.

"TV's Hot Potato: How to Use CATV?" titles article in Jan. Marketing & Media Decisions, round-up of ad agency opinion on cable advertising.

Blair TV appointed WEAR-TV Mobile rep.

NAB BOARD NOMINEES: Final ballots will be mailed by NAB Feb. 8 for election to 12 seats on 30-member Radio Board, 6 seats on 15-member TV Board. TV Board nominees: Ralph Becker, Ziff-Davis; Reid Chapman, Corinthian; William Dilday, WLBT Jackson, Miss.; William Duhamel, Duhamel Bcstg.; Frank Harden, State Telecasting Co.; Jerry Holley, Stauffer; Robert King, Capital Cities; Mike McKinnon, KIII Corpus Christi; Mark Smith, KLAS-TV Las Vegas; James Terrell, Gaylord Bcstg.; Walter Windsor, WFTV Orlando; Paul Wischmeyer, KRON-TV San Francisco.

Radio nominees: Dist. 2—Martin Beck, WBLI-FM Babylon, N. Y.; Robin Martin, WRUN-WKGW Utica, N. Y. Dist. 4—Robert Hilker, WCGC Belmont, N. C.; Bernard Mann, WOKK, High Point, N. C.; William Sanders, WSSC Sumter, S. C. Dist. 6—William Cole, WHOC Philadelphia, Miss.; Charles Cooper, WKOR Starkville, Miss. Dist. 8—Martha Foulkes, WAAC Terre Haute; Michael Lareau, WOOD-AM-FM Grand Rapids. Dist. 10—Theodore Eldredge, KBI, Columbia, Mo.; Robert Thomas, WJAG-KEXL Norfolk, Neb. Dist. 12—Fred Conger, KWBW-KHUT Hutchinson, Kan.; Kay Melia, KLOE Goodland, Kan. Dist. 14—Steven Heater, KSPN Aspen, Colo.; Roy Mapel, KIML Gillette, Wyo.

Dist. 16—Cliff Gill, KWVE San Clemente; James Wesley, KFI-KOST L. A. Market A—Charles Murdock, WLW Cincinnati; Cullie Tarleton, WBT-WBCY Charlotte. Market B—Thom Smith, WDEM-AM-FM Macon; Thomas Young, KVON Napa, Cal. Market C—David Parnigoni, WCNX Middletown, Conn.; Walter Rubens, KOBE-KOPE Las Cruces, N. M.

CBS lost portion of its 10-year suit against Broadcast Music Inc. Federal Dist. Court Judge Morris Lasker granted BMI motion that interim fee payable by CBS be raised from \$1.7 million to \$2.6 million annually, effective Jan. 1. Main case is still before U.S. Court of Appeals, 2nd Circuit, following decision last year by Supreme Court to require further proceedings. Appeals Court has heard evidence, but death of one of 3-judge panel may require repeat. CBS must still decide whether or not to appeal Lasker ruling which notes BMI members "have borne the burden of a freeze since 1970."

Objecting to Mobil Oil advertising, 3 Post-Newsweek stations cancelled 6-part "Edward & Mrs. Simpson" series. Spots during Thames TV-produced shows support deregulation of big business, object to windfall profits tax—counter to Post-Newsweek's policy against "advocacy of positions on matters of public importance or concern." P-N stations involved are WDIV Detroit, WJXT Jacksonville & WFSB-TV Hartford. Said Herbert Schmertz, Mobil vp: "I call it censorship." WVIT Hartford said it would carry series in place of WFSB-TV. Independent in Detroit is negotiating to pick up series there.

DuPont-Columbia U. Bcst. Journalism Awards will be presented at Columbia Feb. 28 by newsmen Tony Batten, Edwin Newman, Frank Reynolds, Mike Wallace & producer Frederick Wiseman. PBS will carry.

TV EARTH STATIONS: Western Union's application to share satellite earth stations with PBS will be considered by FCC this week, and approval is expected. WU use, on cost-sharing basis, would be limited at first to PBS's Washington uplink and New Orleans & Houston downlinks. But Commission approval of staff recommendation to permit sharing would set important precedent and could:

(1) Make PBS's entire satellite network of 148 downlinks & 5 uplinks available to commercial stations. (2) Open Washington as Westar gateway for news feeds from Capital to local stations. (3) Clear way for Group W's proposed Vidsat network, which will depend on shared PBS facilities for program distribution to commercial stations. (4) Permit RCA Americom to share Washington uplink of C-SPAN.

Substantial increase in penetration of satellite services for cable is shown in new survey. (Details in Satellite Week, enclosed with this week's Television Digest.)

RCA Americom will announce go-ahead for SMARTS syndicated TV distribution system, at NATPE conference in San Francisco. Major change from SMARTS package announced at NATPE year ago: Stations will be permitted to own earth stations, with Americom supplying addressable descramblers. First SMARTS earth stations will be supplied by Antennas for Communications and Microdyne at Post-Newsweek stations in Detroit, Jacksonville, Miami & Hartford. More than 200 commercial TV stations have expressed interest in SMARTS. Major problem has been interesting syndicators other than Viacom in using service. Additional customers are expected to be announced at NATPE.

"Contrary to the rosy official reports of U.S. successes at WARC '79, it's my view that the manner in which the U.S. delegation presented the position of the U.S. was seriously inadequate," writes WARC delegate Sharon Nelson of Consumers Union in report criticizing: (1) "Hauteur and defensiveness" of delegation management. (2) Fragmented responsibility for conference preparation. (3) Inability of most WARC delegates to speak language other than English. (4) "Heavy handed and unnecessary" restrictions on information given press. (5) Inhibition of "meaningful participation" by private sector delegates.

Bonneville Productions will use Westar transponder to transmit video from Washington news bureau to KSL-TV Salt Lake City & KIRO-TV Seattle, also for sports, specials, audio & data. "Excess time will be made available to other satellite users," Div. Pres. Richard Alsop said.

Warner Amex Satellite Entertainment plans 5 regional offices—Atlanta, Chicago, Denver, L. A., Houston—to serve "Nickelodeon" & "Movie Channel" customers. Al Parinello, N.Y. dir. of marketing & affiliate relations, will coordinate.

AT&T plans 611-mile east coast fiber optic trunk, linking Washington with N. Y. & Boston, to handle digital data in mid-1980s. Trunk could also handle video.

Personals

John Mathes promoted to program research dir., NBC; **Paul King** promoted to dramatic development vp, NBC Entertainment; **Stuart Sheslow**, vp, current comedy; **Barbara Gallagher**, vp, specials & late night programming; **Robert O'Neill**, corporate communications mgr.

Roy Polevoy moves to programming vp, ABC stations; **Joyce Selznick** & **Jan McCormack** sign agreement with ABC to act as casting & talent consultants; **Joseph Keating** promoted to radio news operations dir., ABC Radio News.

James Heywood promoted to HBO pres., succeeding **N. J. (Nick) Nicholas**, who remains chmn. & chief exec. officer; **Austin Furst**, ex-HBO, becomes pres., Time-Life Films, succeeding **Bruce Paisner**, who retains vp title as advisor to **Gerald Levin**, Time Video Group vp; **William Ambrose** appointed vp, Time-Life Films; **Stephen Scheffer** named programming vp, Time-Life TV; **Stephen Elsky**, ex-United Artists TV, appointed TV operations mgr., Time-Life TV.

FCC Comr. **Tyrone Brown** speaks at Howard U. communications conference plenary session Feb. 15. . . **Charles Lee**, ex-Penn Central, named senior vp & chief financial officer, Columbia Pictures. . . **Michael Membrado**, ex-Marketing & Media Decisions magazine, appointed Arbitron TV sales vp. . . **Ward Woodhead** promoted to Media Research Group vp, A. C. Nielsen; **Jerold Lynch** chosen as pres.-account mgr., Marketing Research Group USA.

George Bartlett, NAB engineering vp, retires at end of April 13-16 convention in Las Vegas, will continue as consultant specializing in international matters. . . Entertainers **George Burns** and late **Bing Crosby** elected to NAB Radio Hall of Fame. . . **Edwin Hart** appointed news dir. WROC-TV Rochester; **Janis Purdie** named business mgr. . . **John Lippman**, ex-KSTW Tacoma, named news dir., KIRO-TV Seattle.

Wallace Johnson elected National Radio Systems Committee chmn., will study AM stereo & FM technical standards. . . **Fred Haines**, ex-International Video, named video engineering mgr., Bcst. Products Div., Harris Corp. . . **John Rose**, ex-WTAF Philadelphia, named gen. mgr., WDCA-TV Washington, succeeding **Milton Grant**, resigned to pursue application for Ch. 14 Washington. . . **Ray Janz**, ex-KIII Corpus Christi, appointed local sales mgr., KMBC-TV Kansas City.

Robert Wright, ex-GE, named pres., Cox Cable; **William Pitney** named senior vp, operations; **W. Mark Sturm**, vp-treas.; **R. Bruce Ellis**, vp & head of development div.; **John Thorne**, corporate vp; **Thomas McGuire**, **Bruce Sanderson** & **Bruce Burnham**, franchise development vps.

Joseph Zaleski, ex-Fries Distribution, named feature film sales vp, Viacom. . . **Dan Kelly** promoted to promotion & public relations vp, TeleRep; **Alfred Masini** replaces him as research dir.; **Terrence Connelly** leaves WMAQ-TV Chicago March 1 to join Taft TV Group as news mgr.

Michael Graham, ex-William Morris Agency, appointed business affairs dir., Golden West Bcstrs. TV Div. . . **Bart Farber** promoted to senior vp, video & special markets, United Artists Corp. . . **Edward Kessler**, ex-National Screen Services, named corporate communications dir. . . **Neil Randell** promoted to vp-eastern sales mgr., SIN. . . **Kenneth Robinson**, ex-Justice Dept., named special asst. to NTIA head **Henry Geller**. . . **Thomas Campbell** promoted to assoc. exec. dir. for operations, FCC.

Diana Brainerd promoted to asst. treasurer, Metromedia. . . **William Nashburn**, ex-ATC, appointed Pacific Dist. sales mgr., Comm/Scope; **Ernest Massel** named southwest sales mgr.; **John Kobara**, ex-People's Cable Rochester, N. Y., appointed Southern Cal. gen. mgr., Falcon Cable. . . **Mary Briere** promoted to Customer Services mgr., Vidtronics. . . **Karen Bomson**, ex-Telemation Program Services, named asst. programming dir., Daniels & Assoc.

End-of-the-world newscast is theme of Jan. 24 column by Washington Post's Tom Shales. He offers suggested script for Cronkite show—variously titled "Apocalypse '80: Countdown to Meltdown," "Nuclear Nightmare: Humanity Held Hostage," "Missiles to Moscow: A Night to Remember" ("But chief—who'll be around to remember it?"). Column ends: Walter look, it's not like the old days. It's not Edward R. Murrow anymore, Walter. We're more competitive now. Do you want ABC to beat us? Do you want NBC to beat us? Do you have any idea what the HUT levels are going to be on a night like this? We've got to keep up with the times, Walter. We've got to grab those suckers by the eyeballs and glue them to their sets. Otherwise God only knows what the overnights will be. "But chief. . ." Yes? "Only God will know. There. . . there. . . THERE AREN'T GOING TO BE ANY OVERNIGHTS!"

Gannett has acquired Gateway Productions, N. Y., will use new subsidiary to enter markets for pay TV & home video programming. Acquisition, effective immediately, also includes Film Power Assoc., post-production film & videotape company, owned by same principals who sold to Gannett. Gateway has produced documentaries for Capital Cities, sports special for ABC and "Great Consumer Ripoff" for Home Box Office.

Twentieth Century Fox wants to buy NBC affiliate KCRL-TV Reno, said discussions had been held, no agreement reached. Acquisition could complicate FCC approval of Chris-Craft attempt to increase Fox share holdings from 16% to 31%. Fox owns 3 TV stations, Chris-Craft 2; 4th Fox station might lead to FCC request for Chris-Craft to sell one.

Trade & barter transaction guidelines are offered by Bcst. Financial Management Assn. which says area "is often neglected." BFM, 360 N. Michigan Ave., Chicago, Ill., 60601, 312-332-1295.

Red Face Dept.: NCTA convention is in Dallas, not Las Vegas (Vol. 20:3 p4). Assn. emphasizes that by noting there will be a rodeo, plus attempts to corral all Presidential candidates as speakers.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for 1980's first 2 weeks, through Jan. 11:

	Dec. 29- Jan. 11	1979 (2 weeks)	% change	Dec. 22-28
Total TV	319,690	383,982	-16.7	268,236
color	212,691	240,071	-11.4	165,276
monochrome	106,999	143,911	-25.6	102,960
Home VCR	13,304*	8,005	+66.2	10,087

Note: Radio data delayed due to possible category changes (see p. 14).

Color TV 5-week moving average: 1979-80-154,505; 1978-79-173,699 (down 11.1%).

Home VCR 5-week moving average: 1979-80-10,053*; 1978-79-7,735 (up 30.0%).

*Record for period.

MATSUSHITA CHOOSES JVC VIDEODISC SYSTEM: Matsushita last week formally picked grooveless capacitance VHD videodisc system developed by subsidiary JVC, scrapping its own mechanical Visc-O-Pac system—and set out immediately to have it adopted as standard for Japan, if not the world.

Matsushita made decision at last possible moment—possibly too late to make major inroads in U.S. market, which already has Philips-MCA optical system and promise of major early-1981 launch of RCA Selectavision, with CBS as important software supplier. Matsushita said it & JVC would seek to market to other manufacturers "as the system in which to standardize the videodisc in Japan [and] would like to penetrate the world market with this system."

VHD (for video high density) system, as last demonstrated privately in U.S., used 9" disc to achieve 2-hour playing time. Like RCA's, it's a capacitance system, but like Philips-MCA it has no grooves and is inherently capable of such special effects as stop-motion, slow-motion, instant frame-location, etc. RCA statement welcomed Matsushita announcement, pointedly noting that capacitance approach was picked.

Any thought that the 2 systems can be brought into compatibility without radically altering one or other is daydream. Aside from fact that RCA's disc is grooved, VHD grooveless, and that speeds are different (450 rpm for RCA, 900 for VHD), they use different modulation systems, and VHD's tracking pilot tone is in same place on carrier as RCA's sound; RCA uses vertical interval instead of pilot as aid in tracking. Engineer familiar with both systems estimates VHD would cost about 10% more than Selectavision player to produce.

"Where will they get the software?" That was universal question from American companies with interest in videodisc. Matsushita had been in long & serious negotiations with CBS before latter chose RCA system, and has proposed joint ventures with some U.S. movie companies, apparently with no takers so far. JVC has big record-pressing plant in Japan. VHD disc, says Matsushita, can be manufactured using basically same facilities as audio discs, and it expects to have 200 programs in time for launch.

On eve of Matsushita announcement, Matsushita Exec. Vp Akira Harada was in U.S. to inform potential hardware & software producers of decision. Matsushita will have uphill battle to persuade U.S. makers to adopt system. It's expected to mount major effort soon, with demonstrations, could kick off recruiting drive at ITA seminar in San Diego March 2-5.

Key to U.S. market obviously will be Zenith, which has been talking with all videodisc sys-

tem proponents and is understood to be on verge of decision. Zenith is in enviable position in one sense, in difficult one in another. It's being wooed by everyone. But although its R&D efforts have largely been in optical system, its officials have indicated they want one which can be sold from start at popular price—so, in effect, Zenith may be forced to choose between systems fielded by arch-competitor RCA (as CBS did) or by Matsushita, which it's currently suing in celebrated antitrust case. Only major Japanese product being handled now by Zenith is Sony-made VCR; Sony is not defendant in antitrust suit.

If Zenith selects RCA system, videodisc battle could be over in U.S. Other manufacturers probably will wait to see what Zenith does. Key date may well be Zenith's Feb. 11 distributor convention in Scottsdale, Ariz. GE Vice Chmn. John Welch told corporate news conference in N. Y. company will select system in 1980, market it in 1981. No comment from Matsushita subsidiaries Panasonic & Quasar, which apparently were as surprised by parent's announcement as anyone else.

Path in Japan may be easier for Matsushita. MITI, which is seeking agreement on standard system before any home videodisc production starts, hailed Matsushita-JVC agreement as step toward standardization. But Sanyo denied persistent reports that it would join VHD group and at last week's end other Japanese manufacturers insisted they had made no choice.

Matsushita gave no production timetable, but it's doubtful it can beat RCA to mass market. Spokesman said its plan is to introduce system first in Japan, then in U.S., and timing will depend on success of standardization in Japan. "We know RCA's timetable and want to be competitive," he said, indicating price of player & discs would be "competitive with RCA."

CBS, meanwhile, is "going ahead full steam," as one official put it, to prepare for mastering & pressing of discs for RCA system. It's setting up pre-pilot matrix, mastering & quality-control program at its Stamford, Conn. Technology Center, headed by Donald McCay, who once headed RCA disc program, will set up experimental disc press at CBS Records' Milford, Conn. labs.

Optical system may lose some of its advantages over "linear" Selectavision system when it goes nationwide. Magnavox Consumer Electronics Pres. Kenneth Meinken told us that by end of this year constant linear velocity (CLV) mode "should take over almost all [consumer] disc production" at Discovision plant. CLV technique, using varying turntable speed, gets one hour of programming per disc side (vs. 30 min. for fixed 1,800-rpm speed) at expense of losing such features as stop-, slot- & backwards-motion.

Recurrent reports of serious production problems were denied flatly by Meinken. "We've had the normal start-up & quality-control problems, which showed up mostly in Atlanta, and it's no secret MCA had trouble manufacturing discs all during 1979. Quality standards [of players] have improved markedly in Seattle & Dallas." As for reports of recall to replace drive motor: "We had a variety of problems—certainly the motor was one. We've replaced the motor. A new one is being used in our production in Tenn., and we're very happy with it."

COMMERCE LAUNCHES TV DUMPING CASE REVIEW: Total review of policies & procedures Treasury & Customs adopted in unsuccessful effort to clean up Japan TV dumping case has been started by Commerce, with special attention to use of controversial commodity-tax method of calculating "fair value" of sets Japanese sell at home.

Commerce is getting its act together to handle antidumping & countervailing-duty enforcement responsibilities transferred to it from Treasury by President Carter at start of this year. Standing in TV dumping spotlight is William Cavitt, recently-named deputy asst. secy. for import administration, who told us he's under specific orders from Deputy Asst. Secy. John Greenwald to get issues resolved and assessment backlog cleared as fast as possible.

How fast is possible? "We'll try to make as big a dent as we can in 1980 with a view to completion in 1981," Cavitt said. But he acknowledged that goal may be overambitious, "and we may be involved for several years to come." First problem, staffing, is already being tackled. "We are actively hiring, and getting some experienced Customs people who are already trained."

Agency is setting up special TV dumping task force, Cavitt said, similar to one at Customs.

First priority is completion of re-liquidation of dumping assessments levied on Japanese sets imported prior to July 1973. Those assessments, issued in March 1978, are subject of collection suits filed by Justice Dept. last Sept. Amounts owed by individual importers were modified in Nov. by Customs rulings on importer protests, and Commerce is working against Feb. 29 deadline to supply JD with corrected totals (Vol. 20:3 p12).

For that effort, Commerce is expected to rely on material generated by now-disbanded Customs Task Force. Once job's out of way it will get to work on review. Cavitt is having staff "prepare for me a comprehensive report on what has and has not been done through the years. We will look at everything going back to the beginning." He said agency "will be looking at all the basic premises [to see] if they make good sense. We'll use our own judgment."

Largest single area of conflict with Japanese involves Customs' use of commodity-tax payments to derive value for TVs sold in Japan. "That issue is already under review," Cavitt said. Tax payments are 15% of wholesale list prices. Customs used payment amounts obtained from govt. in formula based on suggested retail selling prices to come up with values for home-market sets to compare with pricing on similar models exported to U.S. (Vol. 18:14 p8). Japanese contend system is illegal, complain it inflates value of domestic models artificially and results in doubling & tripling of their dumping-duty liabilities.

Cavitt said earlier decisions & procedures set for handling case will be divided into 2 groups. Many objective decisions were made "that probably are appropriate to be continued. Others are more subjective, and they'll get the heaviest review." Cavitt said he's anxious to get ground-work completed "so we will be able to turn our attention to the broader issues," even though he recognizes that Japanese are likely to challenge initial assessments in Customs Court. "We don't want to sit on anything, but there are a number of issues wrapped in the suit" being pressed by JD. "We may have no choice."

RECORD COLOR WEEK: Right in middle of doldrums, color sales in 3rd week of year set record for that period—totaling about 202,400, up some 20% from same 1979 week and bringing sales for first 3 weeks of Jan. to around 415,000, less than .05% below figure for same 1979 period. Week ended Jan. 18 was first to set weekly record since first week of July 1979.

Everything else was up for week. Home VCR sales, at 9,600, were 32.6% ahead of year-earlier week, bringing sales for first 3 weeks of year to 22,900, up more than 50% from 1979. Monochrome sales of 104,800 were up 5.9%, not enough to overcome poor performance of first 2 weeks, bringing 3-week sales to nearly 212,000, down 12.8%.

World's first commercial solid-state color camera was claimed by Sony with sale of 2-chip CCD cameras to All Nippon Airways to give passengers view of scenery with "Sky Vision" projection TV in 747 jet. Sony Pres. Kazuo Iwama promised consumer version in 1-2 years. Camera weighs 2.8 lb., uses 2 chips measuring 10.6 x 9.1 mm, has 245 x 492 picture elements. All Nippon bought 13 pre-production cameras at about \$10,000 each. Sony is expected to show industrial CCD camera at NAB convention next April in Las Vegas.

More VCR expansion in Japan: Matsushita expects to produce 900,000 this year (up 50% from 1979), Sanyo 350,000 (up 75%), Sharp 240,000 (up 480%). By year's end, the 3 companies alone plan to have annual capacity of 2.1 million, equal to total Japanese VCR output in 1979. Production for 1980 has been forecast at about 3.2 million.

RCA, Coleco & Electronic Logic all had ad claims challenged by BBB's National Ad Div. Challenges were dropped because cited ads were discontinued. NAD took issue with RCA trade-in promotion offering \$25-\$100 allowances on old TV toward purchase of new color models. Amount of allowance depended on set purchased, not value of trade-in. NAD said this was misleading because it disguised true retail price. Coleco was asked to substantiate claim that hand-held electronic football game was "No. 1 in electronic fun." NAD sought proof from Electronic Logic that 5-room installation of remote Boulton stereo systems would cost \$1,500-\$3,500.

Little growth is expected in Western European consumer electronics market through 1983, though that area's overall electronics business is expected to have average annual 5.5% rise, according to just-issued yearbook from Mackintosh Publications (Mackintosh House, Napier Road, Luton, Bedfordshire, England, LU1 1RG). It estimates consumer electronics market at \$9.5 billion in 1978, says it will reach just \$10.5 billion, in constant dollars, by 1983, with increase held down by effects of market saturation for audio & video products, tight governmental fiscal policies.

Microwave oven shipments by domestic producers & importers rose 35.8% in Dec. to 330,400, putting full-year total at 2.8 million, up 12.2%, AHAM reports. Assn. says 4th-quarter sales jumped 24.5% to 1.04 million. Litton, which estimated value of sales at \$1.4 billion in 1979, forecasts sales of 3.4 million worth \$1.6 billion for 1980. Sharp expects unit volume to rise to 3.2 million.

U.K. CUTBACKS: Consolidation & restructuring of U.K.'s electronics industry, started in 1978, is continuing into 1980, latest move being possible departure from consumer electronics by Decca, subject of takeover bid from Racal Electronics. Decca has agreed to sell record & music publishing business to Polygram, leaving only TV & audio products in its Consumer Goods Div. Unit lost \$4 million in fiscal year to March 31, mainly from music operation.

Industry observers say Racal is interested only in Decca's commercial electronics operation, which earned \$13.5 million last year, and that prospective buyer or partner for TV-audio unit will be sought if merger goes through. At end of 1977, Rank turned its consumer electronics operation over to joint venture formed with Toshiba, and GEC made similar deal with Hitachi.

Garrard workforce is being cut 25% by Brazil's Gradiante Electronics, which purchased changer & turntable maker from Plessey last Nov. (Vol. 19:47 p13). Citing sales slowdown and need to increase efficiency, Gradiante says it will trim about 155 from current 580-employee roster, didn't set timetable.

Also planning cutback is Mullard, a Dutch Philips subsidiary and last remaining U.K. color tube producer. Mullard says it plans to consolidate tube production at Belmont plant, use Simonstone for tube parts output. Move would result in elimination of 850 jobs over next 2 years, cut staff to 2,600. Last year, Mullard announced \$54.7-million modernization program, including \$10.3-million govt. grant. Layoff proposal has triggered Industry Dept. review of grant, as funds are supposed to be used for projects which increase employment. In possibly related action, Dutch Philips says it will spend \$61.5 million on 4-year consolidation & reorganization of electronics & glass manufacturing operations in Holland, estimates it will cut 1,500 jobs.

Also in U.K., GEC-Fairchild, joint IC venture formed last year, lost 2 top officers as Robert Clayton resigned as chmn., David Marriott quit as managing dir. Murray McLachlan, Fairchild strategic planning vp, was named to replace Marriott, whose reasons for leaving weren't announced. Clayton is said to have left to avoid conflict of interest following appointment as part-time member of National Enterprise Board. NEB provides funds for new high-technology ventures and is supporting Inmos, another IC firm launched last year.

Anti-piracy strategy of RIAA & NARM is expected to include video, although first effort will concentrate on audio tapes & discs. RIAA and NARM have established 800 number to encourage calls about counterfeiters, placed full-page ads headed "To Phone A Crime, You Don't Need A Dime." NARM will contribute \$50,000 to RIAA's annual \$1-million anti-piracy campaign.

Gusdorf enters computer era with Compu-Table, which, electronic furniture maker claims, is first mobile unit designed for home computer. Top has space for computer, small-screen TV; bottom houses shelves to store reference books, program cartridges. Unit retails at about \$116.

RCA RECORDS: RCA reported record earnings for 1979, as sales topped \$7 billion for first time in its history. Sales also set record for 4th quarter, although net was down (see financial table). RCA said income in quarter was reduced by large increases in company-funded R&D and by costs related to planned 1981 launch of videodisc.

RCA Consumer Electronics Div. sold record number of color TVs, had "substantially improved sales, profit margins & market share," company said. It reported that RCA records suffered "severe business decline for the year." Chmn. Edgar Griffiths said RCA would continue strengthening support given research labs and new electronic development programs "which are now funded at the highest level in the company's history."

GE preliminary results show sales rose 14% last year to \$22.5 billion, net increased 15% to \$1.4 billion. For Consumer Products & Services business segment, GE said TV receivers and broadcasting operations had increased earnings on higher sales, reported profits were down in audio products.

Craig announced halt to dividend distribution, citing "uncertain economic conditions." It had been paying 6.25¢ quarterly. In last annual report, for year to June 30, Craig said it was losing market share, facing stiff price competition, in car stereo business.

Warner Home Video ships first orders of pre-recorded videocassettes Jan. 28 from 7 WEA branch locations, probably will need month to fill pipeline. Five of 21 titles—"Woodstock I & II," "Mr. Roberts," "Rebel Without A Cause," "Green Berets"—are being held back a week because of technical problems. WEA Mktg. Development Vp Russ Bach says retailer demand required reorders of cassettes from S/T Videocassette Duplicating, expects 2 Barbra Streisand vehicles, "Star Is Born" & "Main Event," and "Life of Brian" to follow release of "10," due on market "as soon as possible." WHV booked more than \$1 million in orders at Winter CES, still must check out dealer credit references. Dealers normally are required to place \$200 minimum order, can accrue volume discounts up to 5% of base price throughout year. Opening order of \$3,000 and at least 3 of each title earns extra 3% and additional 30-day payment period. Accounts can balance cassette inventory twice annually June 1-30, 1980 and Jan. 2-31, 1981. Swaps are limited to 15% of purchases over preceding 180 days, must be accompanied by order of equal or greater dollar value. WHV cassettes are available from Fotomat, but for purchase only, not rental.

EIA-Japan forecasts for 1980 Japan-based production: Color TV, 9.19 million, down 3.7%; b&w, 4.42 million, up 2.1%; home & portable radios, 1.6 million, down 5%; auto radios, 8.6 million, up 3.3%; tape recorders, 30.8 million, up 2.3%; car tape players, 12.8 million, up 2.7%; home stereo systems, 3.1 million, down 1%; value of hi-fi components, \$1.8 billion, up 6.2%; VCRs, 3.1 million, up 33.5%. EIA-J estimates total value of consumer electronics production will rise 6.8% to \$10.2 billion.

PRICES UP & DOWN: Toshiba is raising color prices another 2% Feb. 2 following hikes last Nov. when it revamped line (Vol. 19:40 p10). But don't look for major increases in Penney or Ward spring-summer catalogs. In color, Penney prices are about same as in fall-winter book, and most of Ward's color portables are down \$10-\$50.

Ward's color line, made principally by GE (with price changes from fall-winter, except as noted): 10" at \$275 (unchanged); 13" at \$315 (down \$10), \$345 (unchanged), 2 at \$400 (down \$50), one knob electronic tuning \$440 (down \$40), random-access keyboard \$490 (down \$30); ladder-tuned pushbutton set, not in fall-winter book, is \$430 (up \$60 from Christmas sale book); 19" keyboard remotes are \$550 & \$560 (unchanged). Color consoles (prices unchanged except as noted) start with 21" at \$429; 25" at \$520, \$620 (down \$20) & \$630; 2 new ladder-tuning models at \$660; one-knob at \$670 (down \$60), keyboard-tuned \$790; top-end keyboard remotes, 2 at \$890 and 2 at \$900 (latter down \$10).

Ward's monochrome portables include 5" mini-combo at \$168, with digital clock-timer \$188, portable 12" at \$88 & \$108, AC-DC version at \$118, 16" at \$128 and 19" at \$158. Ward devotes very little space to single basic Panasonic 4-hour VCR at \$974, b&w camera \$300. In video games, book features discontinued Fairchild & Bally games at same \$150 & \$300 as before, APF programmable at \$169.

Penney color (prices unchanged except as noted) starts with new 9" AC-DC at \$329, with 10" at \$270; 13" at \$320, new electronic-tuned model \$340; 17" at \$360; 19" at \$390, \$430, one-knob tuning \$430, VIR \$460, scan-tuning \$490, remote \$540, keyboard-tuned set at \$480, scan-tuning set, now with synthesized stereo sound, at \$490, remote version \$590. Consoles, all with electronic tuning, are \$640 (replacing \$600 model), 3 keyboard-tuned sets at \$729, two at \$840, two scan-tuned remotes with time & channel display \$840. Monochrome sets start with 5" at \$144; 9" AC at \$88; 12" at \$94 & \$109, AC-DC \$119 & \$137 (latter down \$22); 19" at \$156 & \$175. Minicompos: 4" with AM-FM-weather-cassette \$254; 5" AM-FM \$165, with digital clock \$204; 12" AM-FM-cassette \$229 (down \$30). Hi-fi TV tuner-waveform monitor with 5" screen continues at \$189.

Penney has big line of 6-hour VCRs, mostly at lower prices than RCA 4-hour units it carried in fall-winter book, continues 4-hour units. Standard VHS VCR (6-hour) is \$995, (4-hour) \$895 (down \$93); programmable (6-hour) \$1,250, (4-hour) \$1,150 (down \$38); portable (6-hour) \$1,075, (4-hour) \$975 (down \$15); mechanical tuner/timer \$249, electronic \$295, programmable \$389. Color cameras are \$750, \$790, through-lens viewer \$975, electronic viewfinder model \$1,075. B&w monitor is \$128, telecine device \$149. Penney catalog also features Mattel Intellivision game at \$275, Atari programmable \$165.

* * * *

Toshiba raised most color sets by \$10. Here's new lineup (price changes since Nov. in parentheses): AC-DC 5" at \$550; leader 13" at \$360, electronic-

tuned step-up \$400 (up \$10), remotes \$480 & \$490 (both up \$10), swivel-base remote \$500 (up \$10); 19" leader \$440 (up \$10), electronic-tuned \$500 (up \$10) & \$520, remotes at \$560 (up \$10), \$590 & \$600, programmable \$800 (up \$10); programmable 21" console is \$1,000 (up \$50).

Special promotions: Sony reduces dealer cost of its "Lifestyle" color TV series by \$60 for Jan.-Feb., leaves lists unchanged. Models affected are 12" at \$530 list, 15" at \$630 and 19" at \$740. Sylvania offers GTE Flip-Phone telephone free with any GT-Matic set bought Jan.-March, covering 70% of color line.

NOV. TV IMPORTS: Total TV imports, including complete & incomplete receivers, topped million mark in Nov., making it 2nd highest month of year, though still down from same 1978 month, Commerce figures show (Vol. 20:2 p10). While color imports continued long decline, b&w set new all-time monthly high at 643,000, on strength of sharp gains in shipments from Taiwan & Korea. Here's TV import breakdown by country for Nov., with 11-month results in parentheses:

Japan, total TV, 101,300, -60.7% (1.27 million, -56.3%); color 53,400, -58.4% (724,800, -53.7%); b&w, 47,900, -63.1% (549,000, -59.4%). Taiwan, total, 424,100, +2.6% (4.09 million, -7.3%); color, 73,100, -40.9% (913,300, -31.8%); b&w, 351,100, +21.2% (3.18 million, +3.3%). Korea, total, 269,500, +50.6% (1.95 million, +40.5%); color, 34,000, -41.5% (305,300, -14.2%); b&w, 235,500, +95.0% (1.65 million, +59.2%). Canada, color, 7,800, -63.7% (95,300, -51.4%). Singapore, color, 28,900, +148.1% (192,300, +259.7%); b&w, 5,300 (8,400). Singapore supplied no b&w in 1978.

Imports of complete color: Japan, 26,400, -74.3% (482,000, -64.5%); Taiwan, 38,000, -35.0% (345,000, -39.1%); Korea, 32,000, -44.9% (303,200, -14.2%); Singapore, 4,700, -59.8% (68,500, +28.0%). Picture for incomplete color: Japan, 27,000, +4.4% (242,800, +16.7%); Taiwan, 35,100, -46.2% (568,400, -26.5%); Mexico, 156,400, +12.5% (1.39 million, +40.1%). Other source countries for incomplete color, none of which supplied significant quantities in 1978; Korea 2,000, (2,100); Singapore, 24,200 (123,900); Philippines, 5,800 (21,200).

"TV Receiving Antenna System Component Measurements," NTIA study, concludes that "there has been little change in the performance" of home antenna systems in 20 years. Study measures gain of consumer antennas priced \$1-\$78, compares results with 20-year old Bureau of Standards study. Report is \$7.25 from NTIS, 5285 Port Royal Rd., Springfield, Va. 22161.

VIDEO WEEK

We are pleased to report that VIDEO WEEK, which was announced last month and has evoked extremely favorable response from industry, begins Feb. 4. New newsletter will cover exploding field of videocassette, videodisc, pay TV, subscription TV, teletext and other major areas of video technology—with special emphasis on management aspects of programming.

VCR OWNERS SPEAK: Still another survey provides interesting insight into VCR owners—this one conducted for Sports Illustrated, based on warranty-card returns from 4 unnamed VCR manufacturers, providing 581 usable replies. Since manufacturers whose owners were surveyed weren't named, data on brands owned in survey is meaningless.

Survey shows changing attitudes toward VCR after purchase. Respondents were asked what factors they considered important before purchase and which ones they now considered important if they were buying VCR now. Before purchase, recording time was mentioned by 60.6%, rising after purchase to 74%. Slow-motion feature increased from 6.1% before to 37% after, stop-action from 10.5% to 42.7%, programmability from 13.6% to 42.2%. Manufacturer's reputation declined as a factor from 61.1% to 47.8%, while guarantee or warranty rose from 23.2% to 40.4%. Price remained virtually constant at 47.2% & 47.8%.

As of April 1979, when survey was made, median income of owners responding was \$30,770, biggest single category being owner or partner of small- or medium-sized business (10.6%), followed by pres. or chief exec. (7.4%). Median age was 37.1 years. Uses of VCR, in order of mentions: Recording while not present 87.4%, recording show while watching another 82.1%, building library 67.5%. Playing pre-programmed cassettes was mentioned by 26%. Total of 53.3% use recorder "several times a week," 20.2% daily. Shows recorded most often are movies, with sports a distant 2nd.

Where VCR was purchased: TV-appliance store 27.5%, audio-hi-fi dealer 22.4%, video specialist store 15.5%. Some 49.3% of owners play tapes back on portable color, 46% on consoles, 4% on projection TV, 0.7% on b&w. TV-appliance store (28.9%) is leading source for cassettes, followed by audio store (26.5%), video specialist (21.5%), discount dept. store (17.4%), dept. store (8.9%). In cassette choice, largest number (34.2%) said they shop for lowest price, 32.5% manufacturer's reputation, 32.4% same brand as VCR. Of owners, 8.3% owned color camera, 6.9% b&w, with JVC, Quasar, Panasonic & Sony leading brands owned, in that order. Total of 59.3% thought it "performs much better than a home movie camera," 12.8% about as well, 9.3% not as well. Of non-camera owners, 24.8% plan to buy camera within year or so. Of total VCR owners, 36.5% own video games, 4.3% projection TV, 3.6% home computers. Some 47.6% own hi-fi systems they value at \$800 or more. Survey is available from Sports Illustrated, Time-Life Bldg., N.Y. 10019.

Correction: National Video Group will spend substantially less to maintain pre-recorded cassette inventory than amount we stated last week (Vol. 20:3 p14). Company estimates start-up expense at \$250,000. Membership in NVG costs \$69.50, payable once rather than annually as press release stated.

EIA will delay weekly radio sales figures (see State of the Industry) for few weeks while exploring with participating companies whether to break out data into new categories, such as digital, weather radios, minis, etc.

MORE SELECTAVISION PROGRAMS: RCA has acquired rights for 12 Charlie Chaplin films and 5 NBC specials, including "Victory At Sea," "Heidi," "Hans Brinker," "The Louvre" & "Tut, the Boy King," for Selectavision disc catalog, said Exec. Vp Herbert Schlosser at N.Y. meeting of National Academy of TV Arts & Sciences.

Announcement marks first deal with NBC, which earlier established Enterprises Div. presumably to exploit videocassette & disc programming markets. Schlosser told us that NBC is "just one of 150 suppliers" and that list could include ABC. ABC & CBS have already established home video operations, CBS taking license to manufacture Selectavision discs (Vol. 20:2 p6).

During Q-&-A period, Schlosser made these points: (1) RCA will be "very much in the mail-order business from the start," drawing on experience of RCA Records club activities. (2) "Current plans are to sell," not rent, discs. (3) RCA "must get discs to where the players are" at first, but distribution emphasis will shift to software specialists. (4) Deal with Paramount includes movies now in theatrical distribution, while MGM will contribute "American in Paris," "Easter Parade," "Gigi," & "Singing in the Rain" and 20th Century-Fox, "Patton" & "MASH." (5) "Minimum practical" number of discs per title now is 25-50,000, should drop to 15,000 eventually. (6) Players will have stereo, "but not immediately," with goal to keep units no more than 1/2 price of VCRs.

On subject of exclusivity, Schlosser said privately that RCA negotiates 3 kinds of deals. First gives it exclusive in all videocassette formats, such as "Jesus of Nazareth" from ITC; 2nd, an exclusive in capacity discs; 3rd is non-exclusive. Most titles now fall in middle category.

Home video advertising occupies 18 pages of first issue of "Panorama." Feb. magazine carries programming announcements from Magnetic Video's Video Club of America, Time Life Video Club, Blackhawk Films, Warner Home Video, plus Home Box Office and Turner Communications' Cable News Network and superstation WTBS. 3M and TDK took space to promote blank tape. Heath, Quasar, Panasonic, RCA, JVC, Schudel for VCRs, cameras, TV sets. Center spread features Magnavox line, including Odyssey video game and Magnavision. Among articles is long piece on Amsterdam as "video piracy capital of the world."

Supreme Court decided to rule on legality of agreements giving east coast longshoremen right to pack & empty cargo containers. Importers & exporters have to hire ILA members to do job. Supporting bid for court review of case was Justice Dept., which said container rights will be major issue in port-worker contract talks opening this spring.

Toyota is latest auto OEM to go along with CASA demand that customers be offered option of buying new cars without radios. Agreement covers Celica and some Corona models from SE Toyota, Gulf States Toyota & Toyota Sales U.S.A.; negotiations are continuing with Mid-Atlantic Toyota.

TATUNG U.S. EYES \$1 BILLION SALES GOAL: U.S. consumer product annual sales volume by 1980 equal to current sales of such industry giants as RCA, Zenith and Matsushita, or about \$1 billion—that's target set for Tatung America (TA). Sales of \$1 billion in 10 years? "That is not difficult," according to T. S. Lin, chmn. of parent Tatung, Taiwan's biggest electronic & electrical appliance manufacturer.

It may seem like ambitious goal for firm which did just \$30 million in U.S. last year, but company is proceeding right on schedule, Lin told us. In first year of operation, 1976, TA had sales of just \$7.5 million, increased that 33% to \$10 million in 1977, had 80% jump to \$18 million in 1978, 67% rise last year and is planning 50% increase to \$45 million for 1980. At that rate, TA could top \$1-billion-mark by 1988.

TA "is now proceeding along the first stage of marketing & manufacturing" in U.S. It has been producing electric fans for more than year, opened color TV assembly plant near L.A. late last year. Next stage "is to expand the marketing of our American-made products to Canada & Latin America," then start exploring sales opportunities in other world markets, Lin said. "Our final objective is to help improve America's foreign-trade balance by exporting to other countries, to turn Tatung America into a worldwide supplier.

"We are not the same as the Japanese. This is not like a Japanese invasion," Lin said, explaining that TA is only 50% owned by Tatung Taiwan, other half held by private American investors. "What is different about Tatung is our involvement with the local community. We are building for the country, community and our employees as American corporate citizens," Lin told us. TA is still small, "but it will grow because Tatung Taiwan will give it full support. We now make 300 different kinds of products [in Taiwan] and are ready to support [TA] in market development & production for suitable products."

While few U.S. consumer product producers have established successful export operations, Lin says he's confident TA will do it. "American producers—they can only sell in the American market. America became the leader of the world after World War II. It had the greatest industrial ability in the world, but not now." Today, with balance of trade so important, "America must be a trading state as well as a world leader; it must break its attachment to Monroeism." U.S. companies have a difficult time in foreign markets because of "their fundamental philosophy" of concentrating on local markets. "That's very different from ours." Tatung Taiwan looks on itself as international entity—"we are now helping 15 countries with technical support," generally on partnership basis. "Tatung is now worldwide. Even our name, Tatung, means the whole world is a family."

While Tatung has ambitions, it recognizes that meeting them won't be easy. "We have only taken our first steps. We face many obstacles, and have a long way to go," Lin said. He stated he feels Tatung's efforts in high technology will help pave way. He pointed out that Tatung has large R&D ef-

fort, is now working on videotape & disc products. "Chinese engineers & scientists can do as well as Americans, and we work an average 6-1/2 days a week. We put in 1-1/2 more days of work every week than you do, so, in principle, we are catching up with you."

GE'S TV OUTLOOK: GE's troubles in TV market are far from over, "but we are in it, and in it for the long haul," according to Vice Chmn. John Welch. "By no means is TV a high-profit area for GE, but TV is not a business that produces great profits or great returns," even for industry leaders RCA & Zenith, he told us at press conference last week where GE released preliminary 1979 financial results (see p. 16).

Just 5 years ago, GE set up task force to decide whether TV business should be dropped, sold off or turned into joint venture with another company. Study resulted in plan for venture with Hitachi which was abandoned in face of Justice objections. "Things are different now," Welch said, pointing out that TV business is now showing profit, "though not up to what GE would like," sales are up, partly as result of contract to supply Montgomery Ward, and, with help of new technology agreement with Hitachi, quality has improved. TV Gen. Mgr. Fred Wellner "has done a tremendous job in production and technology—we're very proud of that," Welch said.

This will be tough year for color TV. "It's the weakest of the consumer durables" in terms of being impacted by expected turndown in consumer spending, Welch said. However, there's apparently been corporate decision to stick with it. "We have to stay in color. It's important to our image and it keeps us on the leading edge of technology," in consumer electronics. Welch said he sees TV peripheral business becoming more important than TV itself. GE, he pointed out, is already in VCR, plans to announce selection of videodisc system this year and be on market in 1981, is investigating various aspects of developing market for home data systems.

Along that line, Chmn. Reginald Jones said GE has launched massive R&D effort in semiconductor area so company will be "self-supporting" in VLSIs (very large-scale ICs) it will need on corporate-wide basis. As part of program, company's electronics components operation is being reorganized & strengthened, new facilities planned.

Commenting on outlook for 1980, he said GE doesn't expect current high rate of consumer spending to continue, and "1980 will be recorded as a recession year, with consumer & housing sectors leading the downturn." He said GE economists were currently forecasting 1.3% drop in real gross national product, 11.4% jump in consumer price index for this year.

• **Telefunken's retrenchment** (Vol. 19:50 p11), includes closing of TV & audio recorder plant in Hanover, concentration of production at facilities in Berlin & Celle. Company said it's also seeking venture partner in office-equipment subsidiary Olympia.

Financial Reports of TV-Electronics Companies

These are latest reports as obtained during past week. Dash indicates information not available at press time. Amounts expressed in dollars. Parentheses denote loss.

Company & Period	Revenues	Net Earnings	Per Share
Bowmar Instruments			
1979-qr. to Dec. 31	8,532,000	(5,000)	--
1978-qr. to Dec. 31	5,264,000	209,000	.03
Cablecom-General			
1979-year to Nov. 30	37,384,122	4,971,271 ^a	1.93
1978-year to Nov. 30	33,641,693	4,610,227 ^a	1.79
Corning Glass Works			
1979-year to Dec. 30	1,421,598,000	124,943,000 ^a	7.05
1978-year to Dec. 30	1,251,728,000	104,363,000	5.89
1979-qr. to Dec. 30	322,628,000	20,273,000 ^a	1.15
1978-qr. to Dec. 31	301,078,000	22,101,000	1.25
GE			
1979-year to Dec. 31	22,460,000,000 ^b	1,410,000,000 ^b	6.20
1978-year to Dec. 31	19,650,000,000	1,230,000,000	5.39
1979-qr. to Dec. 31	6,130,000,000 ^b	382,000,000 ^b	1.69
1978-qr. to Dec. 31	5,400,000,000	363,600,000	1.59
International Rectifier			
1979-26 wk. to Dec. 30	72,728,000	4,246,000	1.57
1978-26 wk. to Dec. 31	58,015,000	2,527,000	.95
1979-13 wk. to Dec. 30	37,449,000	2,343,000	.86
1978-13 wk. to Dec. 31	30,171,000	1,409,000	.53
Johnson Controls			
1979-qr. to Dec. 31	310,276,000	18,518,000	1.33
1978-qr. to Dec. 31	309,697,000	21,961,000	1.58
3M			
1979-year to Dec. 31 ^c	5,440,000,000	655,200,000 ^b	5.59
1978-year to Dec. 31	4,662,000,000	563,000,000	4.83
1979-qr. to Dec. 31 ^c	1,367,000,000	167,200,000 ^b	1.43
1978-qr. to Dec. 31	1,188,000,000	147,200,000	1.26
Raytheon			
1979-year to Dec. 31 ^b	3,727,930,000	197,151,000	6.30
1978-year to Dec. 31	3,239,302,000	150,034,000	4.83
1979-qr. to Dec. 31	986,156,000	47,997,000	1.53
1978-qr. to Dec. 31	853,971,000	37,647,000	1.21
RCA			
1979-year to Dec. 31	7,454,600,000	283,800,000 ^a	3.72
1978-year to Dec. 31 ^d	6,600,600,000	278,400,000	3.65
1979-qr. to Dec. 31	1,983,200,000	70,100,000	.92
1978-qr. to Dec. 31 ^d	1,848,200,000	75,200,000	.99
Regency Electronics			
1979-6 mo. to Dec. 31	27,384,899	2,116,490	.79
1978-6 mo. to Dec. 31	21,607,114	2,583,906	.96
1979-qr. to Dec. 31	14,779,734	1,210,592	.45
1978-qr. to Dec. 31	12,171,967	1,544,279	.57
Rockwell International			
1979-qr. to Dec. 31	1,559,000,000	68,700,000	1.88
1978-qr. to Dec. 31 ^d	1,434,500,000	64,700,000 ^a	1.83
Rollins			
1979-6 mo. to Dec. 31	187,063,576	14,010,357	1.04
1978-6 mo. to Dec. 31	163,732,119	11,707,069	.87
1979-qr. to Dec. 31	95,261,886	7,546,560	.56
1978-qr. to Dec. 31	82,448,723	6,086,994	.45
Scripps-Howard Bcstg.			
1979-year to Dec. 31	69,958,353	15,970,073	6.19
1978-year to Dec. 31	65,342,624	14,470,780	5.60
1979-qr. to Dec. 31	19,803,002	5,107,307	1.98
1978-qr. to Dec. 31	19,090,237	4,790,180	1.86
Technical Operations			
1979-qr. to Dec. 29	30,847,000	410,000	.30
1978-qr. to Dec. 31	28,021,000	470,000 ^a	.35

Notes: ^aIncludes special credit. ^bRecord.
^cPreliminary. ^dRestated.

WEEKLY Television Digest

with
Consumer Electronics ...
 (ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1980 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & Cable Addenda*, *Cable Atlas*, biweekly *Public Broadcasting Report*, *Satellite Week*, *Video Week* and other special publications.

EDITORIAL & BUSINESS HEADQUARTERS

1836 Jefferson Place, N.W., Washington, D.C. 20036

Phone: 202-872-9200

WASHINGTON HEADQUARTERS

Albert Warren ... Editor & Publisher
 Dawson B. Nail ... Executive Editor
 Paul L. Warren ... Associate Editor
 Jonathan Miller ... Associate Editor
 Christopher Kelly ... Assistant Editor

Television Factbook

Mary Appel ... Editorial Director
 Marilou B. Legge ... Managing Editor

Factbook Research Inc.

Sean P. Maloney ... General Manager

Business

Edward L. Sellers ... Sales Dir.
 Roy W. Easley III ... Business Mgr.
 Barbara J. Pratt ... Circulation & Sales Promotion Mgr.
 Lisa Maurer ... Asst. Sales Dir.

NEW YORK BUREAU

510 Madison Ave., N.Y. 10022
 Phone: 212-355-5611

David Lachenbruch ... Editorial Dir.
 Robert E. Gerson ... Senior Editor
 Seth Goldstein ... Associate Editor

JAPAN REPRESENTATIVE (Editorial & Business)

John H. Nakamura
 13-3-1001 Roppongi 5-chome
 Minato-ku, Tokyo 106, Japan
 Phone: 03-583-7493

Consumer Electronics Personals

Ryozaburo Mori, former Hitachi Sales U.K. pres., named Hitachi Sales U.S. pres., succeeding **Ichiro Kawamoto**, returning to Japan where he will head Hitachi Sales International Div. ... **Clarence Spangle**, ex-Honeywell, joins Memorex as pres.-chief exec., effective March 1, succeeding **Robert Wilson**, who continues as chmn. ... **Thomas McCarthy**, GTE public information dir., promoted to public affairs vp. ... **T.M. (Sam) Egbert**, former GE European PR mgr., named mgr. of GE corporate news bureau.

James Pagliaro named Panasonic Video Systems Div. mkt. development mgr., responsible for Eastern U.S. ... **Jeff Lynn** appointed Pickwick International Retail Div. planning, mktg. & control group vp. ... **Robert Shaw** appointed Warner Records (WEA) region video specialist for Chicago, Cleveland & Atlanta branches, **James Fisher** named to same post for L.A. & Dallas; **Harry Sklaver** named video sales rep for N.Y. ... **Scott Schmedel**, formerly responsible for Wall St. Journal's consumer electronics coverage, reassigned to handle weekly tax column. ... **Stephen Poe**, former consultant & writer on video, named mktg. dir. of Atlantic Richfield subsidiary **Ardev**, Woodland Hills, Cal. developer of industrial videodisc system.

William Ambrose, Time-Life Video business & educational mktg. dir., named T-L Films vp. ... **Jack Chudnoff** promoted at RCA Records from creative services vp to mktg. vp. ... **Les Poulson**, ex-Seacost Distributors (RCA), Miami, appointed Gusdorf SE-SW mgr.; **Pete Bocciarelli** advanced to midwest mgr.; **Steve Hennes** appointed Rocky Mountain dist. mgr., succeeding **Bocciarelli**.